Juan Iñigo Carrera's Workshop on *Karl Marx's* Capital[1]

Volume 1: THE PROCESS OF THE PRODUCTION OF CAPITAL

[1] Transcribed by Álvaro RR [@Pignocchio] (and translated by @jaaysper via machine translations). I have tried to keep the transcription faithful to the orality of the workshops (including localisms), but modifying redundancies, repetitions, etc. in order to facilitate and shorten the reading. In any case, the recordings can be reviewed, and I would appreciate it if I (or Jasper for translation issues) could be informed of errors that I have overlooked or disagreements regarding the fact that I have omitted a small part of the interventions of the workshop attendees in case of redundancies (from session 33 onwards I have tried to reproduce them almost always in their entirety). In this version, which I hope will be final, all acronyms were removed except "TaSnPeI" (SNALdPaI) for "Trabajo abstracto socialmente necesario realizado de manera privada e independiente" (Socially necessary abstract labor done privately and independently) due to their recurrence and length of expression, and "M" (M denotes *mercancia,* or in English, commodity, C) and "D" (D denotes *money,* or in English, Money, M) in certain contexts. The text in square brackets indicates explanatory comments by the transcriber to speed up the verification of the correspondence between what is written and what is recorded. Explanatory or referenced footnotes are at their own expense. The titles usually refer to the section, chapter and subsections of *Capital* in question, adding in square brackets questions that were raised outside of Marx's immediate development (questions of method, doubts, discussions, implementations beyond Marx, etc.). Thick lines mark the end of each workshop meeting. Any proposal for improvement is welcome and will be – and is being – considered. The complete workshop finished transcribing in the early hours of a Wednesday, June 26, so: see you next Wednesday.

Translator Note: For now, most graphs, charts, diagrams etc. are remaining in their original Spanish format as there are far too many and the time needed to produce English counterparts would exceed my possible dedication to this translation. Furthermore, considering that the intelligibility of the text itself is not contingent upon these schematic illustrations—combined with the fact that if you're capable of grasping the text you are certainly capable of grasping those illustrations with some reasoning—I don't find it necessary to produce a corresponding English version to each one. With that said, I had originally planned to do the opposite until later realizations, so there are a few places early in the text with English versions. Also, when "Ñ" and "Z" are used schematically in the text, this refers to Gnocchi and Shoes, respectively. I was too lazy to go through and change them. Furthermore, as far as I am aware, the word in Spanish which refers to what we in English know as "labor" translates into work *or* labor, they are purely synonymous. Lastly, JIC speaks of something known as "*necessity*" regarding the development of real forms, however the word used in Spanish is sometimes translated into "need". This is somewhat problematic, however I can't be certain I have corrected this in each place, so just be wary.

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Workshop Introduction

[...] We are going to try to start by going to the core of the question of the meaning of the workshop with one of the questions that you had in the survey, which I asked with one intention, and universally you read it with another intention. Something that we are going to refer to later again regarding whether the question is to interpret, how to interpret what one supposes to be clear, and for the others it is clear that they assumed that what was clear was the opposite of what I had thought. The question is: what are they here for? Why are you interested in the workshop? The idea of my question was that there should be only one answer from the list of possible answers. And in a moment of weakness, I said: I'm going to put "Main answer" and "Secondary answer" (with the idea that there were going to be only 2 answers), and that enabled the system to fill all the rows. And you interpreted by filling all the rows. I am going to take some of the answers that appear to see how far we are going to be able to answer what appears, what link it has with the development of the workshop.

So, I look at the responses—or at least some of them—since I had posted a very long list. One was "Deepening Marx's thought." That answer immediately raises a question in me: why do you want to delve deeper into Marx's thoughts? Where does the interest come from, what is the purpose? Another answer was "The difference between Marxist dialectics and Hegelian dialectics." And this answer leads me to the same question as before: and why go deeper into the difference between these two dialects? Is it a purely intellectual concern? Do I want it for something? Do I want to enrich my subjectivity by being clear about this? Or is there a reason behind that interest? I take another possible answer: "The debates within Marxism." And I have the same question I had before: is it curiosity? Do I have anything at stake with regard to the debates in Marxism? Why the need to delve into that? And also, a need that implies – it is proposed that way – a work simply with Volume 1 (which was raised in the *email* we sent you, for two years)? And if I am willing to dedicate two hours a week to this—but over the course of two years—is it simply a need that boils down to wanting to know more about this individual, or about the debates currently taking place, or do I have something at stake that goes beyond that?

To make a long story short, in general, the axles had that character. And... I want to see the answer that was just in the chat. Jorge's answer is: "To know in depth and dialogue with those who know Marx's work", but why? What is at stake in that interest? There was one of the answers that had a different content. He was referring not to knowing but to "doing", but also to doing one's own personally. And when one looks in general at the interest in something called the critique of political economy (a subtitle of Marx's work), when the term political economy appears, what immediately confronts us with this theme is a problem of political action. From whom? For Marx it would be his. The question at stake is the question of political action itself. It is a problem of knowledge. And knowledge – we will dwell on this later – is the knowledge of one's own determinations, of one's own subjectivity. And in this case, the axis of the question that is placed in the title itself, is one's own condition as a political subject. I'm going to try to take it in this way.

There was a workshop in which the answers were verbal and there were many responses of: "I want to go deeper" in this aspect, in another aspect... And there was a participant who immediately raised this: I come to the workshop because I see what is happening in my neighborhood, in people who are close to me, and I want to transform that situation. I want to do something to transform that situation. And so the starting question that one can find beyond what appears under an "intellectual" concern is a question about what to do, and about a political "what to do." When one is confronted with the text, what one is asking is why this is going to contribute to the ability to organize my action. If one looks at it (and then I am going to ask why one can confront *Capital,* the text, in this way)... I am going to take it in a situation that immediately touches me personally, which I suppose must be shared by many more of those present.

We here in Argentina, as teachers, are in an action of struggle for our salary (to take it in simple terms). And I can face this situation and say: well, it's a problem of struggle for wages. And by knowing that I already have the answer I need to know what to do. Now, it may be that when I am confronted with this question I will say: it is not enough for me to know this in order to be able to decide how I organize my action. If I'm fighting for a salary, the first thing I need to know is what a salary is. If I say I'm struggling, then what I'm saying is: if I have an antagonistic relationship with someone because of my salary. I could also say: well, I already have what it takes to act, that is my enemy and I already know what I have to do in the face of that. Or for some reason that at this point I cannot explain, it may be that I say: it is not enough for me to know that it is a salary problem and that I have an antagonistic relationship with the subject who pays me. I have to ask myself why this antagonistic relationship is characteristic. And suppose I answer that what is at stake here is the distribution of income. And again it may be that with that answer he says: I already know what I have to do. And for some reason—and I'm going to project it to you—you are not satisfied with that answer, because if not, then you would not be wondering about what Marx is saying about the movement and the relationship that you have as members of society.

And then, one continues to wonder about his "what to do" as a political subject. He looks at the distribution of income and says: in this society there are classes differentiated by the form of income: the form of my income is a salary, I am a wage earner, and the form of income of those with whom I am confronted is the class of capitalists who pay wages. Then I can say again: I already have what I needed to know to organize my action. And I may say: but I still don't know how to organize my action. Because in order to organize it, if I have to confront the capitalists, I need to know what capital is. If I don't know, how am I going to confront the capitalists? I'm going to be unarmed in front of these guys. And so I look at what capital is and say: it is a sum of money that produces a profit. And this is enough for me. And then that answer asks me a question: what is money? How can I know what income distribution is and face it as a conscious subject in the struggle for its distribution if I cannot explain what money is? A more or less immediate elementary answer that I can give myself is: money is something that is used to exchange commodities. And so to know what money is, I need to know what a commodity is. And in this process—which I am presenting very crudely—I found that in order to answer myself about what to do, I have to answer myself

about what Marx's text presents to me in the first paragraph where he says [paraphrasing]: in societies where the capitalist mode of production prevails, wealth is presented as an immense accumulation of commodities, and the commodity as its elementary form. Consequently, our analysis starts from the commodity. This is how the text begins.

So, several observations regarding this. On that path we never stop asking ourselves what to do, about our own subjectivity. And what we find is that within our subjectivity is the commodity. It seems that we have passed from our condition as human subjects to these things that are commodities. And yet, we were always looking at ourselves in our condition as subjects. We have no explanation so far of what commodities are. Precisely what Marx proposes, who has taken this path that I present here (in some places it is insinuated, thus referred), what we arrive at in this process is that starting point. And now we have to go further, we have to answer what a commodity is, but not simply because we are curious to know it. It is because when we answer ourselves about what a commodity is, we are going to answer ourselves about what we ourselves are as human subjects. And more specifically, what we are as political subjects. And that is what the process that we propose to develop is about. It is not a problem of economics. When you look at what starts with the commodity, it can look like an economics book. It is not: it is a book that so far deals with our subjectivity.

But in addition, another question related to this arises [...]: why the hell instead of staying calm and doing as many other people do, who quickly know what form they have to give to their political action (it may be that they don't give a damn what form they are going to give it and that they resolve that they do what comes to their mind at that moment)...why do we ask ourselves this question? It might seem that we are "cooler", more lively, more intelligent or restless people, and that is why we ask ourselves these questions that others do not ask. And that response would not only be sterile, but would destroy us as political subjects. What we have to answer is not only what to do, but why the what to do that we are proposing has a determination that makes it face political action in a way, let's call it, "peculiar" within the general movement of the life of society. This is also the answer we have to find in the development of asking ourselves about our own subjectivity, a determined subjectivity that, as such, is faced with the need to ask ourselves about its own determination beyond what is "normal." And that is what we are going to put at stake in the progress that we propose to develop. This is the first part of what we wanted to present to you at this kick-off meeting. Then we are going to move forward on concrete ways that make up this objective that we are proposing.

This is a tool, but it's not a tool simply out of abstract curiosity. One is always asking oneself what to do, for one's own subjectivity. Knowledge is always the knowledge of what powers are held as a subject with respect to the powers that the environment offers to that subjectivity, how to operate on that environment. When you are getting to know what you are doing, you are organizing your action. And I want to emphasize one question: it is not the action of other subjects, it is not simply or abstractly the action of the proletariat. The question is what am I as a subject, who recognizes myself as a member of the proletariat. It is not an abstract

problem of what the proletariat is, but I have to answer myself what I do as an individual organ of the proletariat.

[...] I might add: it is not a philosophy book. Because the problem of action began with the question of what do I do, not with an abstract question of "What am I?" I have to act all the time, not just in this, so I always have to answer what I am as the subject of that action. From someone who precisely stated in contrast to action that "Philosophers have done nothing but interpret the world in different ways, but what is at stake is to change it" [2](and we look at knowledge not as something external to action, but as the moment in which action is organizing itself). And who also proposed that philosophy had ended with Hegel, the contrast that appears there is between an interpretation of the world and the action of transforming it. What we are not going to do is interpret the world by interpreting Marx in some way. We are going to face what Marx says and we are going to ask ourselves if in our own social bond, what Marx says we recognize or not. And consequently, we are going to permanently subject what Marx unfolds to criticism, we are going to require that we ourselves can reproduce that process. And in this sense I want to contrast it with many statements that appear as: it is a problem of what Marx meant. But the only one who could answer that is Marx himself, and what we are not going to do is that Marx's text literally says something and it is said that this cannot be what he meant. Because it clashes with Marx's entire development. If Marx wrote something and we do not find that same something when we confront capital (our social relation, not abstract, but concrete), we are not going to pretend that Marx really meant what we want him to say. If we find something different, we will say that this is what we find.

I strongly emphasize this because we are not going to interpret the text: we are going to face the text as a tool that allows our process of knowledge of our determinations (that is what the book is about, it is not about other subjects who are out there), what the text is going to allow us is that instead of discovering gunpowder every time, we can make our process of knowledge individually original, as a process of recognition from the social point of view. It is a knowledge that has an objective existence, which we can appropriate. of thinking about the initial question all our lives, we will then have the potentiality of someone who wondered about this and said: this is what I find. What we are going to do is say: Marx found that, let's see if we find the same thing or not. And if we don't find the same thing, we'll think about it very well, because the individual who did all this work... We are not going to lightly say that we are going somewhere else and it is over, we are going to look at it very carefully, and if we continue to find something that was different we are going to say that this is what I need to organize my action, if I do not find the other, it is alien to me, it does not answer the question of what to do.

There is a discussion linked to this (I think it was more or less general in Latin America, but in Argentina it had a lot of presence in the decades of the 60's and 70') about what the text of Capital is for. And it seemed that, well, it's about England in the mid-nineteenth century, and that has nothing to do with Argentina

[2]Reference to number XI of Marx's Theses *on Feuerbach* (1845), published by Engels as an appendix to his work *Ludwig Feuerbach and the End of Classical German Philosophy* (1888).

in the twentieth century. And this continues to be repeated today and worse, because 50 more years have passed. In addition, this approach appeared reinforced... I'm going to take a very simple example. Marx's development in *Capital* shows how the development of machinery imposes a permanent technological renewal and the capitals that do not maintain this movement are defeated in competition. When one looked at Argentina at that time, one finds this situation: the capitals that operate in Argentina in the industrial sector do so with a productivity of labor that is a fifth of the productivity of the sector in the United States. But they are the same capitals that are in the US or in European countries, and here they operate with this productivity. So the answer was that this does not serve to explain the situation in Argentina, because it not only referred to situations from the mid-nineteenth century but also that what I said was going to happen, is the opposite of what is happening here. Faced with this situation, one can take different paths.

One that is incoherent and from my point of view wrong, which is to say: "That doesn't matter to me", and now I explain what is happening in Argentina by stopping at the immediate appearances that here is this, so-and-so came... And it was over. And there are two answers that from my point of view are coherent, but one is wrong, which is to say: well, then I start from scratch and ask myself again what this process of social life is, and I do not use this knowledge that is objectified in the text. And the answer that for me is coherent and correct is: well, I'm going to do this process that I proposed before, I'm going to move forward on my path as a process of original knowledge and recognition from the social point of view. And when I find something that the text tells me that it is going there and I see that it is going here, I am not going to say that I throw it away, but that I have to develop a process of original knowledge from the social point of view to answer why the concrete form that this general determination has has these specific forms that appear as the negation of the general determination, because it is carried out under these concrete forms. In this sense, we can say that we have two advantages over Marx.

The first is that we have Marx's text and we can use it as a tool. What Marx's life took and he could not finish, we will be able to do much more quickly, and consequently we will be able to go further and ask ourselves about concrete forms of our political action that go beyond what Marx could. The second is that we are going to look at the capitalist mode of production, which has 150 years of development more than it had in Marx's time. So, what Marx could have barely hinted at and developed where it is heading (with extraordinary scope), we are going to find that this barely hinted at is now fully developed, and among other things, that we are the bearers of that development. And then instead of trying to discover in a barely hinted at thing where he is walking, we are going to see where he walked, and with a much fuller development we are going to be able to see where he is walking and who is the subject of that walk.

When Marx wrote *Capital* and said that it was a work for the working class, the universe of the working class in England had gone through more or less 3 years of schooling. This was the development of the "intellectual" training of the mass of the English working population, which was the most developed in the world. We

have many years of educational training. So, Marx in the text raises where education is heading just looking at a society where there are 3 years of schooling, and we can look at what happened with education, where many of the countries in which we reside the average educational training is 12 years. And we are the bearers of that development. And if we start looking at ourselves from a problem of wages and we say that it is the problem of the working class, we immediately look at ourselves and say: this is one of the transformations that have occurred since Marx wrote *Capital* to today, and it gives us a weapon, an enormous potentiality. Marx has the reference in another text saying: "The anatomy of the human being is the key to the anatomy of the ape", because what is seen in the human being is the developed ape. This has two issues: what we see is the capitalist mode of production much more developed than Marx could confront it. But on the other hand the problem of action is always about something that is in potential. As a monkey, you have to be able to see what potential you have to be engendered as a human being. We see a more developed subject, but this does not solve the problem for us; What we have to answer is what we are going to produce, where we are moving forward with our action. And that is potential, it is not realized, otherwise it would no longer be a problem how to organize an action of the working class.

I am going to make an observation of something we did in the development that we were advancing. We made an analysis of our political subjectivity. We ask ourselves about the necessity of our action, of capital, of money, of the commodity... And if we look at the analysis we did, we did not do it by looking at what is repeated and what is not repeated. He was asking for what necessity, what is this that we have in front of us. And that's how we got to the commodity, that's where we stopped that analysis. We did not start from formulating concepts that allow us to move forward, we did not say: "Capital is this, this and this", and then we no longer need to continue asking ourselves, now we can answer ourselves about what to do; What we were doing was confronting the real concrete ways in which we were recognizing a need for our action, a determination for our action. This is how we are going to advance in all the development, and we are always going to ask ourselves about this: this is this, well, and then what is this, why this and this...? And then we will see what we do with the answers we find. I don't want to complicate further what must already be quite complicated.

When we begin to answer these questions, we need to answer ourselves in more concrete ways than the ones we are going to be looking at will surely appear. At a certain point we are going to begin to answer what the commodity is: we are not only going to analyze it but also unfold the determinations of the commodity. And I bet that when we start answering each other, questions about capital will come up. And my answer is going to be systematically: "I don't know what capital is." Now I know what a commodity is, but I have to go on to be able to answer myself what capital is. If I found it analytically before arriving at the commodity, now I am going to answer from the development of the commodity what capital is. And I am going to try to be very strict in that answer, with several experiences that support it.

One of them is what happened with the 1st and 2nd workshops that we developed regularly 20 years ago (before we had done a more informal workshop). It was two years, so I had done a first workshop of Volume 1 the first year, with a lot of enthusiasm, a significant presence, a lot of discussion, and it had been flowing satisfactorily for me. And I started a 2nd workshop while we were doing the 2nd year with the first year, Volume 1, and it was a disaster, it was dissolving very quickly. And in the face of that, I was overcome with despair and began to advance responses to maintain the interest of the person who formulated the problem. And at the same time I was very uneasy with what I was doing. So I asked the people in the workshop who were in the 2nd year about this situation and what they thought of what I was doing, which I had never answered them in advance. And there was one participant who rarely intervened and systematically sat next to the door. And my image was that this guy, at the next meeting was not going to be there, but he intervened in front of this in a way that for me was surprising. He told me: "I totally disagree with you giving answers. If you had given me an answer, I wouldn't have come anymore. I kept coming because I always had one thing to answer that I lacked the answer." I learned my lesson, the workshop that had been dissolving barely survived and I stopped giving answers. This is one of the axes of the way it works. I often say: now I have a debt (the question I didn't answer), when the time comes I'm going to try to pay that debt.

Beyond this anecdotal reason, there is a reason that Marx raises that is reflected at a certain point in the development of Volume 1 on a question that is going to appear and has two answers to the same question. The first is a letter to Engels, who tells him: get ready, because they are going to jump on your neck telling you that everyone knows that this is not so. Because the political economy of Adam Smith and David Ricardo was clear that this was not the case in concrete determination, although they could not explain it. And Marx's answer is: "If I wanted to answer that in advance, I would destroy my dialectical method." And then he adds: but in reality this is not a defect of the dialectical method, but a virtue. Because it makes that... (and makes a reference to a term that is the individual who "is a square"; it has the word "bourgeois" inside but in Spanish it is not used in that sense)... the vulgar economist is exposed before his time. And then at the corresponding point of the development that he has been doing in the text he puts again: if I wanted to answer this, I have to answer this first, this and this, and all this is not here. And then he makes the sentence more impersonal (I don't remember if it is this phrase or not), saying: economists, unlike Spinoza, believe that ignorance is a sufficient reason. They cling to appearance against content. It is proposed by Marx then that one cannot anticipate that whose necessity one has not deployed, and practical experience says that it does not work with respect to the objective that we set ourselves and that we invite you to share. The downside of this is that it is a distressing process. Because one is with the questions that need to be answered and the answer one receives is: so far there is no answer, let's go ahead and see if there is an answer (maybe there isn't), and in some questions this goes to the end of Volume 3, not three meetings later. If not, I changed the content of the process he was developing.

There was one more, operative question, which is the following: we are not going to start with the prologues or with the postface of the different editions of

Capital for various reasons, also because of some specific anecdotal experience. Many years ago, around 1970, I participated in a workshop defined as "Reading", not working with *Capital,* equivalent – if you like – to this. And the reading of the prologues led to meetings and meetings of discussion of things that are not developed, and it was reduced to each one interpreting what he wanted to say. The experience was extremely unproductive for me. One looks at Marx himself, and when he writes the prologue to the *Contribution to the Critique of Political Economy* (a work prior to this one, which was to be the development that he later realizes will never be able to finish and then takes up and gives it another structure in *Capital),* he says: I had written a long preface and then I realized that it makes no sense to put development ahead what must be developed. It can only be annoying that what you come next is being put in front of you. And one can see in that a reference to Hegel.

Both in *the Science of Logic* and in the *Phenomenology of Spirit* he makes an observation in his prologue saying: what can one say in a prologue (before what, for him—what he is going to develop—is the development of science as such)? The only thing he can put are insubstantial, external things, because otherwise he would have to put science before science. This is what happens with prologues: either they refer to insubstantial and anecdotal things or they put science before science. And Marx himself, in my opinion, in the prologue to the *Contribution* does something that he himself criticized, but saying: for me this is a synthesis, and from there I continued. And this is the reference that he is going to put to the development of the productive forces, the relationship between the economic base and the legal and political superstructure. Where it says: from my studies I came to this conclusion, and from there I continued on this basis. The discussions about the base/superstructure relationship are how to interpret what Marx said in that prologue: whether the base determines or conditions, whether the superstructure has an autonomy or not... And it is to turn a synthesis into an abstract starting point.

So, we are going to start with the commodity, with the first paragraph of *Capital,* accompanying the development that Marx is making and asking ourselves whether we recognize it or not. And then in some cases I am going to propose to you: let's look at this again asking ourselves such a thing. And if there is general agreement we do it, if not, we go ahead accompanying the text. We are not going to use any text other than *Capital;* and here too there is an issue at stake. Everyone reads what they want, but we in the workshop are not going to say: "Well, but so-and-so solves this problem for us and takes us forward." The observation I want to make is this: I consider Marx to be a strongly coherent author, consistent in his development, whom we have to subject to criticism. There is a letter from one of Marx's daughters where she twice refers to games they played in the family. One of them was what is your favorite phrase. And two phrases of Marx appear: "Doubt yourself" and "Subject everything to criticism." An individual who said this, we are going to subject him to criticism. But if this individual throughout his life wrote things that in his culminating work says the opposite of what he said in previous texts, we are not going to say that it is a problem of senility, that he began to write incoherently. It is a process of maturation: he writes drafts to criticize political economy, he rewrites them and transforms them into drafts for *Capital,* he makes a

1st edition of *Capital* and then what he does is to reformulate chapter I and structure it in a different way. And when you look at what was in the initial and subsequent versions, you find that there is an advance in that development. Not content with this, in the 3rd and 4th German editions, Engels took notes that Marx had in a copy of Capital that belonged to him saying: "This must be modified, this too...", etc.

So he is an individual who subjected his production to criticism throughout his life. And one can find a clear unity in the development that he has been doing, and that what he is doing is answering what he had stated as a problem but did not have the answer. What do you find in many discussions? "Ah, but what he said in the draft is not the same as what he said in the 2nd or 3rd edition, so I'm going to take what he said in the draft," but in the 2nd edition he said the opposite. If it is a problem of interpretation, everyone interprets what they want. If one wants to interpret that what it said in the draft was better than the final text, one interprets what one wants. But if you have been accompanying the development of the author, you cannot say that you are going to choose what you want: you have to see if you find that or not. I take an example at the end of Volume 3, of brutal questions of attributing to Marx something that is not in the text and that also never again appears a reference to that question, and saying "what he said is this, and therefore that and that is invalid."

Discussing the absolute rent of land, Marx writes in a draft: absolute rent has a magnitude determined by this... And in the next draft it says: the magnitude can go from this to this, it has this range and it depends on circumstances where it is going to stay. An author is going to criticize it and says: Marx in the draft that is finally published as Volume 3, recognizes that this is so. But we are going to take what he says in the previous draft because here it is clearer what must be criticized. So it is to say: I am going to criticize what the author himself criticized and corrected himself, because it serves me better to attack him. In this sense, there are many drafts of Marx's texts, which are very expressive (because one sees Marx's process of thought and elaboration), but what one cannot do is to contrast something that is in place in that incipient development with what for Marx was the definitive text. We are going to stick to what he is proposing there, to the structure that is in the text. And I think that's it. Once I had the question of whether there was a lot of mathematics in the workshop. And all qualitative determinations have magnitude, there are quantitative relationships... Now: the work does not revolve around mathematical knowledge.

I would like to make two clarifications. I always make this point: singers have a repertoire. One has one, too—and the examples one offers, and the arguments one develops, tend to be more or less the same. Furthermore, as one grows older, one faces the problem of becoming more prone to repetition. The objective we pursue with this workshop is not to convince anyone. I sometimes speak with great emphasis because—given that the issue at hand involves understanding one’s own subjectivity—I necessarily bring my *own* subjectivity into play; consequently, I occasionally get carried away with that emphasis, quite unintentionally. But I want to make this clear right from the start: we do not seek to evangelize anyone. If, upon the conclusion of a course, a participant were to say to me, “You’ve convinced

me," my response would be: "Then I've failed in what I set out to do." Our objective is to confront you with the ideas that emerge as we work through Marx's text—to prompt us all to ask questions about them... It is, quite simply, to place you face-to-face with this material. Thereafter, it is up to each individual to do with it whatever they deem necessary—to utilize it in whatever way serves their own purposes. There are no revealed truths here; everything is open to critique. And it is incumbent upon each of you to subject these ideas to your *own* critical scrutiny—rather than simply assuming something must be true just because so-and-so subjected it to critique and presumably "knows" that it is so.

There is another question which is that of method. I made a reference to the dialectical method and analysis, and contrasted it with the normal form of analysis proper to logical representation. But we are not going to start by talking about the method. At one time I did about three workshops on the dialectical method, and at a certain point I said: this is nonsense. Because the only way to appropriate the method is for each one to develop that form of knowledge for himself. And he ended up having to say: "Well, believe me it is so," because trying to present the method by himself, he ended up being completely external. We are going to use that method, we start today with that analysis, and we are going to mark contrasts with the method of logical representation and dialectical reproduction. And when we have advanced to a point where the question of scientific knowledge appears in the text itself (which is going to be released next year), if you agree, we are going to stop and look at the synthesis of what we have already been doing with respect to the dialectical method. So, if at any time any of the drafts are useful to us, we are going to feed that with the draft, but we are not going to say: "The text literally says 'a', and since I interpret that in the draft it said 'z', we are going to replace 'a' with 'z'".

There was a question that Claudio asked about political action. I took the issue of political action in its immediacy, I could not answer myself further because I said that in order to know what form to give to this action I had to look at what a political action was, the distribution of income, the classes... So I could not answer what form of political action we have in front of us. With respect to power it is: one always acts on powers that are to be realized. Once they were carried out, that's it, the action is over. One always performs powers. He organized his action to realize a certain power and he carried it out, when he performed it he transformed his environment, and consequently, himself as a subject who is now again the bearer of powers that can be the same as before or different as that transformation takes place. But action always refers to something that exists at present as a power to be realized. One wonders if he is going to do it or not, or which of them he is going to do. When we advance a little more it seems to me that it will make more sense to dwell more on this because I know that the terms "need", "determination" today produces different types of reactions. We will see it as we go along.

[Replying to chat] We start by saying that we have a question about what to do. And we are going to see what the text brings us, we are going to be using it to see if we recognize our subjectivity in that development that appears in the text. And if we come to a point where we say: "We answer each other in this way and I don't need to go that far," we are going to see if, having gone so far as to get to the

commodity, at least, when we go back to the concrete forms of our action, we can answer ourselves something about our "what to do." each one to himself.

I am going to make a clarification: in this work that we are going to do, unlike formal university courses, there is no exercise in coercion. In formal courses, coercion is a condition for the development of the course, but here it does not exist. So, the progress with the reading is subject to what you advance with that reading. I am going to move forward. There was a colleague at the Center [3]who at one time also gave the workshops of Volume 1, and he adjusted to the progress of the reading that the participants in the workshop did, and that makes it impossible to advance later, it makes it very complicated because he says: if you don't have anything to discuss, I can't go ahead. We are going to move forward, but it is up to you to accompany the progress we are making, discussing it, submitting it to doubt, criticism, etc.

With respect to the editions of *El Capital,* this situation appears in the survey: the vast majority (64%) have the translation of Siglo XXI, 13% have the old edition of FCE [4], 13% have the new edition of FCE (the translator is the same [Wenceslao Roces]), there is a smaller % of Akal and several of Fazio's translations from different publishers. there is a request for suggestions and then some translations of editions taken from FCE. On the internet there is a similar one but it is not literally the same, so I guess she died accused of plagiarism, but hey. I am going to raise several questions about translations.

The first issue is that when I began my training process, the 1st edition in Spanish, which was Justo's, was no longer in circulation, and the one that had full circulation was FCE's. So, I use a guide to make the exhibition and my references are taken from the FCE edition. What is it that is normally raised (which I do not know if it is so) regarding the translation of *Capital* into Spanish? That German and Spanish grammar kick each other. So, translators have had to choose between a hard Spanish grammar that tries to reflect that of the original, or a fluent one that adds words and things that may be debatable to be so. When you look at the translations, what you will find is that they do not simply have this difference, but also have a certain approach that comes from the translator, and that they correspond to different historical moments and political movements. I clarify that I know much less about Sacristán's and Fazio's translations, I was consulting them for some doubts, but...

So, when one looks at the translation by Roces [FCE], which translated a lot of Marx's works, it is accused of having a certain ironing of the dialectical character of the exposition, which corresponds to the line of the communist parties in general of the 40s (the translation begins even earlier). And Roces is accused of having distorted the translations (we will see later what this means in the words of those who accuse him). What the original edition of FCE does have is that in Volume 1 it does not, in Volume 2 quite a lot, and in Volume 3 it is a shame, is that they have been replicating the same edition they did the first time, with typographical errors, skipping paragraphs... With the aggravating circumstance that where the text says,

[3]The CICP (Center for Research as a Practical Critique).
[4]Fondo de Cultura Económica.

for example, that surplus value goes down and the rate of surplus value rises, in the translation it says the opposite. Then one reads, and since the problem is not to interpret the text but to answer oneself about what one has in front of oneself, he says: but the printing system has changed since that time, it is no longer done with badges, they could have corrected the text and it is exactly the same. Now: Volume 1 is decently good, with some things that Roces says and that one reads and says "but this is not coherent" (I will make some observations). This is about the 1st edition. On the 2nd I am going to make other observations. It is said that the edition of Siglo XXI is more in line with dialectical development but is harsher in terms of translation. And one of its hardness is that in Spanish there is the "de..." such a thing, pronoun, and in German it is declined, there is no such structure. Then one begins to clash with the adjectivation of the working day, which becomes "working day", but then the product of work becomes "labor product". So he ends up forcing something that in Spanish grammar has another structure.

I always used as a reading test, as a translation test, a paragraph that Marx has in the prologue to the 1st German edition. An observation: the edition of Siglo XXI was published when I had already been working with the FCE edition and I continued with that one, but not because it has any virtue that says: "This is what should be used", I have a mountain of criticism. My daughter participated in one of these workshops a few years ago and bought the FCE edition, which she had already seen at home and according to her because I recommended it to her. After the first meeting in which I criticized, the FCE met and he told me: "But you made me buy some crap! Why did you make me spend the money on this thing that is full of defects?" So... It's not as crowded. The phrase I use said (Marx says) [quote from memory]: "In this book neither the capitalist nor the landlord is painted in a rosy light. But someone who, like me, conceives of the natural historical process of the economic formation of society, is not going to hold people responsible for what they do as personifications of certain social relations, even if they believe that they are above those relations." And what caught my attention... I had already read the notes or *Marginal Glosses to Wagner's treatise on political economy,* which is one of the last things Marx wrote, where he says: this guy (Wagner, one of the incipient neoclassical economists of the Austrian School), this *beast* (he puts it in Latin), did not understand anything about my method: "In the first place, I never start from concepts. Therefore, I do not have to divide the concept of value (because Wagner speaks of its division into exchange value and use value). Where I start from is the commodity, which is the simplest concrete in today's society."

And then, I said: but how can an individual who says this, in the prologue of his book, say that he "conceives" things in a certain way? I consulted different translations, I consulted with a Marxist with a lot of training and also made in Europe, for whom I feel a deep personal respect because he also put his person where his ideas were, although I disagree with the proposals he makes... Well, we discussed it with him, grabbed a dictionary, and among the meanings of I don't remember what word in German it was, "conceive" appeared within a bunch of words. And I said to anyone who could have a link with the German language: how do you translate this word? Until one of those people came to me and said: in my house there is a German dictionary of philosophy from the nineteenth century, and

what it says about that word is that it means "I am facing", "I am looking at this". And I said: yes, it couldn't be "conceived".

Now: this is what happens with the translation of FCE. But what does the translation of Siglo XXI say in that sentence? Where he reaches the point of the "economic formation of society", he translates it as the "socio-economic formation". And it produces this problem for me: if I have "economic" and I have "social", that means that the economic is not social. Because if I am clear that the economic is a social form, I would realize that when I am saying "economic-social" I am saying "social-social", and that makes no sense, I am contrasting them: on the one hand the social, on the other hand the economic, and the economic would not be social. I'm going to take the case of political economy, or economic theory in general, this is what he wants to tell me all the time: that economic relations are natural, and that they are not social. And if I listen to the speeches of the state bureaucracy, they are full of "socio-economic problems". Again: I am saying "social-social" or that the economic is not social.

But when I came across this it produced a by-product effect that I shouldn't have had, which was... (very shortly after because then the dictatorship came and those books disappeared from Argentine bookstores)... that Akal published in Argentina. And the edition of Siglo XXI compared to that of FCE is very expensive. Akal's was also expensive because of the structure of the volumes that makes publication more expensive. And I went to the bookstore, grabbed the prologue to chapter I and found the "socio-economic formation". I left it on the shelf and left indignantly. And then, it was never obtained again in Argentina, and now it is worth a fortune and the opportunity disappeared.

What role does "socio-economic training" play? At the time when this translation appears, along the lines of the Althusserians, of the Gramscians, the proposal had appeared that on the one hand there is the mode of production, and on the other the "social system". What was the mode of production? The economic. And in Latin America there was discussion about which mode of production there was: whether it was feudal or capitalist. The mode of production was reduced to the organization within each unit of production. And outwardly, the general unity was resolved by social formation. And what did social formation depend on? Of the will of the subjects. So that translation was accompanied by an element that appears in the first paragraph of the translation of Siglo XXI (I don't remember Akal's because I also read it but it was deleted), the one that I said, "In societies where the capitalist mode of production prevails...", in those translations it is written: "In societies where it *dominates* the capitalist mode of production", and the discussion that existed at that time is that there were dominant modes of production and subordinate modes of production. So using the term "dominant," which was a translation that is valid, the use of "dominates" was intended to serve this approach. It was to make what is called "social" independent of what is called "economic."

At that time there was a book by an author who I don't remember his name (I have a lot of problems with names, I remember he's an Italian) who says: in reality Marx never uses the expression "socio-economic formation", but we're going to

use it because it's interesting to discuss it; and then from there it is as if Marx used it. So, I look at that and if Roces irons out the dialectic, the edition of Siglo XXI has intentions that serve this type of approach. When I grabbed the new edition of FCE, I started reading and I said: well, Roces (who had died a long time ago, but after the Siglo XXI edition he redid his, made notes...) eliminates the "conceives" and is "looks", "faces"... And I say: how good. I continue reading and the "economic formation of society" disappeared and "the economic-social formation" appeared. So, there I have Roces in its 2nd edition, but I still use the old one. In Sacristán's there is "economic formation of society", also in Fazio's. In Akal's I don't remember. So, one faces these problems. If the reading were intended to interpret the text, this would be a serious problem. But since the purpose of reading is not to interpret the text, but to confront the real concrete and ask oneself whether what one has read in the text is recognized in what is in front of it, the difficulty is going to be what I am proposing: it cannot be that I say "conceive". Until he ends up finding the answer. It hinders, but one cannot blame the translator if one later says that he misinterpreted the text.

And I'm going to make another reference to Volume 3, which, as everyone knows, was edited by Engels, and Marx said to him: "Do something with this so that it can be published." And Engels devoted the rest of his life to doing that and publishing it. And beyond the differences that I may have with Engels, the work he did is admirable. Now a new edition of the original German of the draft has been made, and then the precious people appear who say that Engels falsified Marx, changed things, that Engels clarifies that the things he put are in parentheses but there are things that he did not put in, and that this is not Marx's work, it is Engels', and I have even heard that you should not read that. I grabbed things when I had doubts and then they are in the original, it's not that Engels invented it. That certain people don't like it... The problem is that they don't like the phrase, not that he changed its place. Then the accusation appears that this is a draft and Engels made it appear as a finished work. If I am going to interpret the text, I may be confused if it was a draft and appears as a finished work. If I'm going to use it as a tool to confront the concrete movement of capital, I'm not going to have a problem, I'm going to say: this says this, do I see it or don't I see it in the real movement? If I see it, phenomenon, if I don't see it, I submit it to criticism and justification why I don't see it, and I take responsibility.

The synthesis of this is two issues: no translation is so bad as to make it impossible to move forward using the text as a tool, nor is it any so good as to be trusted. So far we are talking about translations. In Argentina, but it was circulated in general in Latin America, because it was the translation that was made in the USSR and then published in different countries, it was translated by Mazía[5], who had translated the French edition. And in the French edition Marx puts a prologue that today would be questioned whether it would be politically correct or not, because he says that since the French like to go quickly to the results, he simplified the exposition, as if to say that they cannot read the complexity of the original. But well, it was a translation that passed for being from the original German without being one and it circulated a lot at a time when in the case of Argentina the PC had

[5]Marx, K. (1973), *Capital,* 3 vols., ed. by F. Mazía et al. Buenos Aires: Cartago.

a lot of presence, but I understand that it disappeared in general from the editions that are available.

The other issue is that the German reader today has the same problem that we have. It is filtered and complicated for us by the translator, but a German word today does not mean the same thing it did 150 years ago. It is also the problem of reading in the original. I don't read German. I've made some attempts at a course, today there are many tools to find ways (such as Google Translate), I've looked at the English edition, Italian edition... And if I have any doubts I consult someone who knows German. So, the thing that you have to read it in German because if you haven't read anything, it's a fantasy. And he refers to an issue that happened in Argentina in the 1970s, which was when Lacan's seminars began to be published. Then there began to be reading workshops on Lacan that were transformed into French workshops to be able to read Lacan; absolute nonsense. With the translations we have, we have a blunt weapon to move forward. And English translations are worse than Spanish translations, both old and new. That was basically what I wanted to raise [...].

§1. COMMODITIES AND MONEY[6]

Chapter I. The commodity

1. The two factors of the commodity: use value and value (substance of value, magnitude of value)

In our last meeting, we explored the question of what to do, of our own subjectivity, and we outlined, very broadly, that in this process we confront the commodity. What we're going to do now is look at it as it appears in the text, without explicitly stating the prior analytical process, because it's not included in the text.

Let's begin with the first sentence Marx uses in *Capital,* which is this (according to different versions): "In societies where the capitalist mode of production prevails, wealth appears as an 'immense accumulation of commodities,' and the commodity as its *elementary form.*" This starting point is not a statement of concepts or principles from which he will proceed; it is a description of a concrete reality, presented as an immediate assertion (it has no further development beyond this). Regarding the relationship between commodities and capital, the only thing one can say is that within the capitalist mode of production, commodities exist and appear as the expression of social wealth. Consequently, one can recognize in this Marx's statement: I am not starting from concepts, but from the simplest concrete reality of contemporary society, which is the commodity.

First, we have this starting point. If we look at it, we'll find several things to observe. Just as I said before that the commodity simply exists within the capitalist mode of production, it's also not explicitly stated that the commodity is the product of something: it's simply something present within this society as an expression of wealth. We'll proceed step by step because we're not going to interpret what the text says; what we're going to try to do is reproduce for ourselves what Marx is confronting us with in the text. If we skip one of the steps, we'll then find that we transform this attempt to reproduce the determinations of our social being with our thinking into a representation, and representations can only be interpreted, and everyone can interpret them as they please. But interpretation is knowledge that stops at an appearance. And we're going to try not to stop at any appearance, to ensure that each issue we face accounts for its determinations, its necessity. And then I'm going to bring up something that came a little later.

When we take this starting point, it's an immediate concrete reality presented to us, and the only thing we can do in the face of it is what Marx says: let's analyze the commodity. In that process of analysis, in the very expression that it all begins with

[6]All section, chapter, and heading titles are taken from the Siglo XXI edition of *Capital,* while the quotations are taken from the FCE edition, as it is the one used by Juan Iñigo Carrera.

the analysis of the commodity, what confronts us is that it won't consist of separating what common attributes the commodity has, what is repeated and what is not; our question is: what is a commodity, what necessity, what potentialities does it contain? When we begin this process, what we have regarding the commodity are these questions I mentioned before: we don't even know that it's a product or what it's a product of; we only have its presence. We look at that initial expression, and one could say: I look at societies where the capitalist mode of production prevails, and I can see a whole host of things other than wealth taking the form of an immense accumulation of commodities. What is it that the use of the text allows us to do (and the intention of my presentation points in the same direction)?

One could take any concrete form within the capitalist mode of production and say: I'm going to start the analysis from here. But this starting point is the product of social knowledge that is available to us. This is the starting point that Marx found, gave it an objectified expression in the text, and then we can forge our own path of knowledge, which may be more or less original depending on the level of development each of us has achieved, as a process of recognition from a social perspective. So, instead of considering possible starting points, we have here a starting point, which, as I said, is presented externally to its own foundation. And consequently, we are going to subject this process of social knowledge that we are using to criticism, because we are going to see if this starting point allows us to advance when we confront the concrete. I said last time: it's not about reading the text abstractly, it's about confronting wealth as it presents itself in our society. And the other thing we are going to do is demand that this starting point account for its necessity. As a starting point, its need is inexplicable; it cannot establish its own necessity. What we will demand of it is that when we start on its basis, we can reach a point where we say: that is why we needed to start from this point and not another, or this was the most powerful one to start from [...].

The other point I want to emphasize here is that this starting point places us face to face with the commodity within the capitalist mode of production. Whether the commodity existed in other modes of production, whether it can exist, whether it was the same commodity or not, is irrelevant at this starting point. I summarize it by saying that the commodity is the product of historical development, but here it is the result, and it is the commodity of the capitalist mode of production. This is something we must consider, and we must see to what extent we can answer what this commodity is without examining its historical development. Whether we need to examine it or not will only be revealed by the progress we make. So, we have this other issue before us.

What is the first thing that will appear regarding this concrete entity, the commodity, when the analysis begins? The commodity will appear as an external existence, an external object, but one that possesses a potential determination, a quality of potentiality: it is something capable of satisfying human needs. It is the commodity that, as an external object, has this potentiality. And Marx will observe that it doesn't matter where these needs arise from; they can arise from the stomach or from the imagination: it is irrelevant. But they are needs that have human subjects present in the capitalist mode of production. Here, there is no

elaboration on where these needs arise from, beyond the fact that they are human needs.

And Marx makes another observation regarding how objects satisfy these needs: it makes no difference whether they are needs for means of subsistence—objects that have the potential to serve immediately for the reproduction of a human body, of human life—or for means of production—objects that will be used by human beings as means to produce, to operate on the rest of nature and transform it. So, what he has been looking at up to this point is from the point of view of the objects themselves. The observation that follows is this: these objects have different qualities, properties, and can be used in different ways. And it is a result of the development of the human life process which potentialities or qualities are recognized in different objects. This changes in that process. And the quantity of each object, the quantitative expression of the quality that defines those objects that have the potential to satisfy human needs, is also a result of the development of society.

With this framed from the object's perspective, the next step is: this has the potential to satisfy human needs. From the perspective of the human subject who will appropriate these potentialities of the object, it is these qualities that transform it into a use value, something that serves a purpose. From this point forward, the subsequent analysis, which questions the qualities inherent in these objects, will be viewed from the perspective of the human subjects who will appropriate the object's utility. The following observation is: to appropriate the object's utility, one must appropriate its materiality. A commodity whose materiality I cannot appropriate is use-value to me. Depending on the nature of the human need that the commodity satisfies and the nature of the object's materiality, there are different ways to appropriate it. But the condition for being able to possess the use value is always the appropriation of the commodity's materiality. If I don't eat and don't incorporate food into my body, I can't appropriate the use value of food. If I can't see a painting, I can't appropriate that materiality. If I can't hear music, neither can I. Marx will repeat this, saying that one can only appropriate use value by using it, by consuming those commodities.

Up to this point, he's been looking at the commodity, describing it. It's no longer an immediate observation; it's a description not simply with the eyes, but with the "eyes of thought," constantly asking what it is, what attributes and potential it has, and how the human subject appropriates them, since the commodity is external. What will appear now is an observation that doesn't follow exactly the same line of questioning about the commodity: it doesn't matter whether it took a lot or a little work to acquire that use value, to produce it. This has nothing to do with use value. And there's something one can observe in this development, which is that often in the exposition there's a counterpoint or a response to many things that might appear in classical economics (we'll delve into that when it makes sense). So he continues, and the synthesis he arrives at is this: use values constitute the material content of wealth, and no matter what society or social form human life takes, it is a natural condition of human life to be able to appropriate use values that allow for the reproduction of a human body and the production of other use values. So, it was in the analysis of the commodity that one encountered the condition of use

value; now, what emerges is that, from the perspective of use value, this transcends the commodity. We find it in the commodity, but it is not an attribute exclusively belonging to the commodity. And so, in this sense, we move beyond the capitalist mode of production because we are looking at a general condition. But just as we move beyond this, Marx immediately reinstates the specificity.

He will observe that in the type of society we are going to study, use values are the material support of exchange value. And again, this reference corresponds to the capitalist mode of production. If in other forms of society use values were also carriers of exchange value, that is not what we are looking at. What we are looking at in this process of recognition is what these exchange values are in the capitalist mode of production. And the reference is, again: if use value is that which serves to use, exchange value is that which serves to exchange: they are exchangeable objects; at this point, saying that these use values carry exchange value has no further meaning. Since this is not a development of concepts but rather an examination of the object in front of us, asking about the determinations it carries, the only thing we know about exchange value at this point is that it serves to exchange.

I'm going to deviate from my own proposal. I'm used to a structure where discussions, questions, and interventions arise… And suddenly I felt desperate because I keep moving forward, and at this pace, I'm afraid some discussions will be left behind. Because now, in reality, the analysis of the commodity is finished here: we discovered that it has use value and that it carries exchange value. Now we're going to start asking ourselves about exchange value, and it's possible that a lot has been left unsaid. In any case, Marx argues that a commodity is an object that serves to satisfy human needs, a useful thing, and in other writings he focuses on a type of commodity, which is what corresponds to an object as an object; I don't know if that's clear. When you look at use values, what you find is that there are use values whose possibility of consumption only occurs once that use value has a completed existence; the process from which it arises (regardless of the nature of the process) is separate from the moment in which it can be appropriated, consumed. And there are use values that can only be consumed *as they are produced.*

Let's suppose that what I'm doing here has use value; it can only be consumed as I present it. When one says "thing," the thing actually has an existence as an object, objectified, external to me: my thought is objectified in what I'm saying and is separate from me. The product of my thought process can be appropriated independently of the appropriation of my person. In one of his drafts, Marx examines this second type of use value, looking at its different forms and their presence in the capitalist mode of production at that time, under what forms this type of use value is produced, and, except for transportation (and particularly passenger transport), he considers it not particularly relevant. So, the presentation largely takes the form of use value as a finished material existence before one can appropriate it.
Why am I including this clarification at the beginning?

Political economy has tended to separate these two forms of use-value, calling the first type "commodities/useful things" and the second type "services." Marx gets very angry (besides the fact that both types of use-value in the capitalist mode of production carry exchange-value, as we've seen so far, they are forms of commodities), and he also mocks the term "services." But especially, the contrast that political economy makes is that one refers to the form that wealth takes in the capitalist mode of production, and the other has no other condition than being a use-value; if I say "service," I've taken away its specificity. So, these are two forms of use-value whose generation as use-value, one is separate from consumption and the other is inseparable from consumption. I was saying that we have an advantage over the mode of production that Marx observed because what was barely incipient in the 19th century is now fully developed. And then references appear to “medical services” and “educational services,” which are not the core of social production, but rather the type of finished commodity. This has led to a whole series of arguments about how, in contemporary society, this type of production, which appears under the name of “services,” now occupies a central place in social production (regardless of its actual weight or impact).

And another issue arises that is linked to this, because in the draft—later published in the *Critical History of the Theories of Surplus Value* —Marx includes two quotes, one from whom I don't recall, the other from J. Stuart Mill, and both refer to what they call "services" as "immaterial labor." And Marx uses the term "immaterial labor" in one of the paragraphs of the text and never uses it again. Why do I want to emphasize this? Because now, with the recent surge in arguments about immaterial labor, referring primarily to the production of information systems, programming, networks, and so on, as well as personal care, the care of people who cannot care for themselves (which Marx, when he considers it, refers to as servants), claims are being made that Marx used the term "immaterial labor" but didn't actually consider it, and that his subsequent development is therefore invalid. What I want to point out in this regard is that there is no such thing as immaterial work (I jumped into work, I should have waited longer…), there is no such thing as an immaterial process: every productive process is of a material nature and its product is material.

If I look at scientific development, regarding which Marx much later makes an observation that one might consider extremely insightful (if I remember correctly, in Volume 3, so it will take us four years to get there), all "manual" labor contains "intellectual," mental labor, which is the organization of that manual labor. And all "intellectual" labor, its product, has a material form, because otherwise it would be inside the body of the person who did it, but there would be no product contributing to the social life process. What I wanted to emphasize is that we have these two forms of use-value with respect to how it is generated (it doesn't matter if it is a natural or human process that generates it), and with respect to the materiality of every production process and every product of that process. It has an objectified existence external to the process itself. Therefore, all appropriation of use-value is a material appropriation, and this is what Marx stressed regarding the appropriation of the materiality of the commodity so that use-value can be realized.

JIC [7]: In our original plan, the idea was for an hour of interventions. Let's see if we can dedicate half an hour to this part. I'll have to read the questions and take notes, and I know that some things will remain unanswered and others will generate more discussion.

Javier [Chat]: In that first phase, I'm intrigued by the importance or lack thereof of the expression "it presents itself": does that refer to it being an appearance, as if it were the result of a superficial look, or is it a way of expressing that capitalism is indeed a huge accumulation of commodities?

JIC: I didn't bring it up because I said I was going to move on to the content, but I did mention last time that I participated in a workshop on *Capital many years ago,* in the early 1970s. The workshop started, and it got stuck on the first paragraph for several meetings, and the discussion reached an absurd level (it's stuck with me for life)... It turned out that in the FCE edition, Roces translates it as "An immense arsenal of commodities," and a discussion began about whether this was a subliminal message regarding armed struggle. There was also a long discussion about whether "cumulus" or "accumulation" meant movement and which meant a static situation. I should clarify that the workshop didn't get very far after that. Javier's question is of a different nature.

I'm going to refer to the way I was presenting it: it's presented as if it were an immediate observation that has no more "depth" than stating that what it's looking at appears this way, whether it's true or not, up to this point… What does it mean for it to be an immense accumulation of commodities? That's what one has to answer by analyzing the commodity until discovering its determinations as a use-value that carries exchange-value and seeing where this leads. Here, one couldn't answer that because it's just one manifestation. Whether this is the relevant manifestation or not, because one could say that it presents this and a hundred thousand other things, I could say… I don't know, about anything, that it's the form that social wealth takes in the capitalist mode of production. I'm going to say something intentionally absurd: some might say "an immense accumulation of intellectual capital," what they call "social capital," human capabilities. It presents itself as a world full of human beings, and this is wealth. But for now, this is all that can be said; let's see how far this goes and whether it was just an appearance or not.

The next question [Chat] asks: “I have the same question because he could have said 'wealth is' and instead chose 'wealth presents itself,' which seems to suggest to me that wealth in the capitalist mode of production lies elsewhere and not in the accumulation of commodities.” If someone were to say “wealth is…” at that point, what they would be expressing is a concept, and they would be starting from a concept: I already know what wealth is in the capitalist mode of production. And that would end with the starting point of the discussion. Because if I already know what wealth is in the capitalist mode of production, I don't need to ask myself what a commodity is; I already know what it is beyond its outward appearance. At that

[7]Juan Iñigo Carrera. As you can see, in the case of participation by workshop attendees, I indicate their contributions with their names in bold.

starting point, what is presented as the starting point of all knowledge of this kind that will be developed here—I'm going to call it the dialectical reproduction of the concrete—but in reality, all knowledge begins with the observation of an immediate concrete. It is from that observation that one begins to question necessity. I'm not going to discuss the difference between the two ways of asking about need. And when one has answered that question, discovered the simplest expression of that need, what one does is try to return to the concrete reality one had at the starting point.

Obviously, immediate observation requires names; one has to name these things. From these names (which are not concepts of things themselves), one can construct concepts or ask oneself what necessity these things before one embody, what potentialities they possess. Commodities embody the potential to satisfy human needs, and from the perspective of the human subject, this makes them use-values. And we saw the attributes, the qualities of use-value: it is use-value because there is a human subject who recognizes it as such for themselves (up to this point, we don't know why; the same thing is use-value for one person and not for another). Regarding the first sentence, this is how Adam Smith begins, and it is not a phenomenological view: all human knowledge begins with immediate observation. So, it may or may not be true; let's see where it leads.

Javier: How can a melody end up becoming a commodity?

JIC: If you want to listen to music, you either have to buy the medium on which the music is stored or pay for a ticket to hear it live: it's a commodity and part of the immense arsenal. With paintings, you see it immediately: I don't know why, but some paintings carry immense exchange value. They're worth millions of dollars. That means they serve as a medium of exchange, and with what you receive in return, you can acquire a huge quantity of other commodities. We still don't know what a commodity is, but all objectified existence, everything useful in the capitalist mode of production, appears within that immense accumulation of commodities. I once had a strange exchange because someone asked me: "How can music, art, be a use value?" And I said: "Have you never listened to music or looked at a painting?"

[…] Here [in the chat] is a material description of the nature of appropriating the use-value of the painting, but be careful because this isn't simply… Well, it's the process in its pure materiality. Because we had: “it springs from the imagination,” and so appropriating the use-value of the painting can't simply mean that the photons impact my eyes or the sound waves my ears, but rather that for me it has a certain use-value that springs not from my stomach (except for some music that might give me a stomachache, but I don't want to listen to that), but this is what Marx means by it springing from the imagination: I don't have an ocular need to perceive the photons, what I have is a need to consume *what* the music or the painting tells me. For which I have to be able to hear it, see the painting; otherwise, I can't appropriate it. If I can't see it, I might be able to appropriate it orally or through a text because someone tells me what it means, and then I'm appropriating it in the form of *its* materiality. If someone appropriates the use value of something, they have consumed it. Something that was meant for me

might not be consumed by me; if I don't have the possibility of appropriating the object's materiality, I can't consume it.

Alejandro [Chat]: If it's clear that up to now we're focusing on the commodity in the capitalist mode of production, how do we address its specificity with respect to other modes of production? I understand that Marx is accused of developing both a logical and a historical approach.

JIC: We will ask ourselves about other modes of production. I'm departing from the expository form of the text. The problem we had was "What to do?", and it's a "what to do" within the capitalist mode of production. So, I need to answer for myself what a commodity is, because that commodity is within my "what to do," it encloses it as a necessity. And well [regarding the logical/historical development], I'm not going to name what we're doing. What we began to do was an analytical process that wasn't based on looking at what things are repeated or not: it was based on answering questions about the potentialities of the commodity, looking not at the accumulation but at what *the* commodity is. History is the result. In the question about use value that led us now to confront exchange value, we never used a logic. We didn't say: if we have this and we have this, then the constructive relationship we have to apply is this other one. We were looking at one thing, and that led us to look at other things: there was neither logical development nor historical development. But it's a statement that has to be based on development.

Carlos: Marx, at that point in the beginning of *Capital,* only wants to emphasize that he wants to start from the first thing one sees, but he wants to carry out a whole development to demonstrate how true that first glimpse is.

JIC: Let's see what unfolds. One might say: it's clear that it wasn't a sudden burst of insight that made Marx say, "I'm going to start here." It's the product of a long process in which Marx advanced and subjected to critique everything he encountered until he found what he considered the most "complete" starting point for his exposition. Because he used that text in A *Contribution to the Critique of Political Economy,* in the first edition of Chapter I, and in the second, and later in the *Marginal Notes to Wagner* he makes that observation: the starting point is the commodity.

Ignacio: What is an attribute?

JIC: It's a quality that something has. When one says, "It's a quality that it has…," what one is referring to is not simply the traits it presents in its current existence, but at the same time, what potential this thing, this being that one has before one, holds within its current existence. Being a use value is an attribute that the thing has and that I am recognizing in the thing: that it has the potential to satisfy a certain need of mine.

Xatan: It is argued that the paintings are not reproducible, which is why they are so valuable.

JIC: I don't know [8]why things have a lot or a little exchange value; all I know is that in this society, use values carry exchange value. Therefore, I can't answer.

[They ask about Aristotle's influence: matter and form, use value and exchange value…] We still don't know what exchange value is. Whether or not Marx was influenced by Aristotle, the only one who knew the relationship between his work and Aristotle's was Marx. What I will propose is the same point I made at the beginning: knowledge is carried within each person who knows, but it doesn't spring abstractly from the person who knows; it is the product of a development carried out by other individuals. That's what I meant when I spoke of a process of recognition. It's clear that Marx did this with respect to Aristotle's developments. He subjected him to criticism in Chapter I, but the question is: why does Aristotle say what he says? What necessity does he have within himself to arrive at the conclusion he reaches regarding the concrete reality he is observing? Marx does not look at that concrete thing of Aristotle: he looks at his own concrete thing, the commodity in front of him at the moment when he is reducing his process of recognition, which in that sense is a process of original knowledge: he is facing the commodity armed with the product of what Aristotle did before, just as we go around armed with the product of what Marx did.

Ignacio: When you say that an attribute is a potentiality, that potentiality can also be productive, right?

JIC: It's a potential that's waiting to be realized. So it can have different qualities. Things have potentialities to be realized. If an object didn't have a certain potentiality… I used to do this with a piece of chalk as an example (and then it started to become problematic because I couldn't break the chalk): if the chalk didn't have the potential to be broken by the force of my fingers making that movement, I could *never* break it. The iron bar doesn't have that potentiality; it doesn't have the attribute of being breakable by my hands, but the chalk does. And so I can appropriate that attribute because in the materiality of the chalk there's the attribute of a certain resistance—let's call it—to torsion, and in the iron bar there's another resistance to torsion.

Liz [9][Chat]: What is the philosophical origin of the search for necessity and power in the path of observation of an immediate concrete for the dialectical reproduction of knowledge?

JIC: When we were considering what to do last time, we said: the problem we have is what to do. It's not a philosophical problem; it's a problem I have all the time. I look at myself and I don't ask myself philosophically what I'm going to do. It's a problem of the reproduction of my existence, in this sense: what am I materially, in the simplest sense? I am a subject. Why am I a subject? Because I need to expend my body to appropriate the environment and reproduce myself. This is the simplest determination of human life. I don't sit around thinking about

[8]We don't know them until this stage of development. It's part of JIC's reluctance to anticipate things by skipping over processes that are yet to be implemented.

[9]If I haven't misunderstood, the chat from the first two sessions wasn't recorded, and this participant doesn't reappear.

why I have the need to do things. The problem I face is that I need to expend my body to reproduce myself, and I do it all the time: when I breathe, I expend my body to appropriate the environment, incorporate it into my body, and reproduce myself. When I ask myself what to do, I'm organizing how I'm going to expend my body so that this expenditure doesn't imply the destruction of my body. I know I have to expend it, but since the purpose of that expenditure is to reproduce my own body, I have to govern that expenditure. And knowledge, the answer to what I do, is the question of how I organize my actions; it's not a philosophical question, it's practical. If I stopped asking myself what I do, I wouldn't expend my body to reproduce, but I would still be expending it, and the result would be that I would expend it, I wouldn't reproduce, and I would die. When one looks at the process of human life, what lies before you in its simplest form is this.

Many years ago, someone asked me: "You have a compulsion to act." I don't: I can't choose not to act. I can choose different forms of action. And I'm going to refer to something I don't think I mentioned last time, which relates to the critique of philosophical interpretation. It's thesis 11 on Feuerbach (1845): "The philosophers have only *interpreted* the world in various ways; the point is to *change it*." And if you look at knowing as the way to organize action, the problem with philosophers isn't that they knew and didn't act: it's that they knew in a form that is interpretation and acted in the way that corresponds to that knowledge, and that knowledge doesn't allow you to change the world. It's a matter of practice because knowledge is a moment of practice (this came much later, but anyway).

When one is in the process of knowing, of thinking, one has to expend one's body: one is already acting, expending one's body. But when one considers the immediate objective of this expenditure, it is a *limited expenditure* of the body aimed at appropriating the potential one possesses as a subject in relation to the potential offered by the environment. Is this an environment that will allow me to realize my potential (an environment for me) or is it an environment external to me? When I recognize that this is an environment upon which I will act, I fully commit my action, I *fully expend* the body (but I have already begun to expend it). And since I am transforming myself (because I am expending myself) and the object/environment upon which I am acting, I constantly need to rediscover the potentialities of my subjectivity and those of the environment. Thus, knowledge accompanies the *entire* development of the action: it is the process of organizing the action.

We live in the capitalist mode of production, where knowledge, even in its most powerful form, *is presented as separate from action: theory on one* hand, practice on the other, and there has to be an “interrelation” between the two. And what form this interrelation takes always remains in an undefined ambiguity. Why is this what is carried in the general consciousness of the society we live in, but especially in the consciousness that seeks knowledge…? I'll leave it there because we would have to delve into other matters that are not relevant here. But this separation appears: why isn't knowledge recognized as the organization of action? Why, when one looks at Marx's theses on Feuerbach, is the general refrain against philosophers that they didn't act after interpreting? […] This is something that will

reappear all the time, and that's why I wanted to go beyond what I had set as a limit; it seemed essential to consider.

[…]

I'm going to address Catalina's question about domestic work. We haven't finished examining the attributes of use-value yet. Exchange-value has come up, so let's try to answer that question. Marx continues to look at attributes of use-value that are inherent to commodities. Now, we don't know the source of exchange-value. We look at commodities, we know they are use-values, and we said it doesn't matter whether it requires a lot of work or a little; we haven't even considered how labor operates in the production of use-values. Labor isn't a use-value in the simplest sense we're considering here. Ultimately, it's an action that produces use-values (if we were to simply consider use-value). Labor intervenes in their production. What generates exchange-value? We haven't addressed this in our discussion so far. So, that's an observation we can't answer right now: it's a debt we have, at some point we're going to have to face what produces use value and what we know up to now as exchange value, and then we'll see.

[…]

[II]

Regarding what's in the chat [10]: up to this point, we've only looked at use value. But it's the use value of things that are commodities. We don't know why they're commodities, but what we do have before us is something that our immediate knowledge (I'll even put it in these terms from the perspective of the presentation) "knows" is that there is something called a commodity, and that social wealth appears in societies where the capitalist mode of production prevails as an immense accumulation of what is called a "commodity." But we know nothing more about commodities. When we begin the analysis, we start to learn that they are use values. We don't know why this is a use value and this isn't. And that's as far as we get. Whatever the material form of their production process... I don't even want to use the term "production" because Marx observes that it doesn't matter whether it takes a lot of work or a little. What we do know is that they are presented to us as commodities.

[...] We will incorporate references to political economy (that is, the critique of political economy) as Marx raises the need to examine them. And after we have completed Marx's analysis, if there is agreement, we can look at a whole series of approaches related to the question of value, exchange value, use value, and so on. If you agree, let's continue.

In our analysis, we had arrived at the use-value of commodities, and we had reached the observation that just as use-value is a condition for human life—and consequently, the wealth of any society has the material form of a mass of use-values—Marx returns to the specificity of commodities, saying: in *this* society we are examining, use-values are the bearers of exchange-value, and so the analysis will now confront exchange-value. When Marx examines it, he will see a relationship of equality that arises in exchange, where a certain quantity of a commodity with a specific use-value is equated in the exchange relation with a certain quantity of a different use-value, which nevertheless appear to be equal. And, at the same time, he looks at the unfolding of all these possible exchange relations that one commodity can have with a multiplicity of other commodities, and what he says is: it seems that this is a relation that does not respond to the need for some [“relationship ”? [11]] that goes beyond what is manifested, beyond the immediate aspect of the relation itself. That there is something that determines the magnitude of the exchange value of a given quantity of a commodity seems impossible to recognize. But he will immediately take the next step.

I'm going to look at one point first: when one considers exchange value, what one has before them is the possibility that a given commodity, a given use-value, in a certain quantity, can transform its materiality, go beyond itself, transcend itself, and be transformed into something materially different, without any material process effecting that transformation. When the relationship (I'm going to use FCE's translation [12]) of the 10 yards of linen and the frock coat appears, the means are of the same nature. Someone might say: what mediates the transformation is

[10]It wasn't recorded.
[11]Unintelligible.
[12]Fondo de Cultura Económica.

that someone cut the 10 yards of linen and made the frock coat. But if one takes any exchange relationship, what one will find is that 10 yards of linen cannot be transformed in any way into a plate of food, and yet in the exchange relationship, one can enter with the 10 yards of linen and leave with a plate of food; they have been transformed without anyone having operated on their materiality. How can this transformation be explained? What Marx will propose after this explanation—that exchange value seems to lack content, a determination that gives it any substance—is something based on this fundamental principle: exchange value is a quantitative relationship, and for this relationship to exist, the two poles must possess the same quality. In this case, since it is a quantitative relationship of equality, they must be in the same quantity. This will be a substantial step in the development that follows. The question that forces us to ask what they have in common is not arbitrarily searching for common ground [...]. What is that quality?

I'm going to take the same course as Marx will present it, and then I'm going to suggest we revisit this. He says: they must have a common attribute. It's not that he's looking for what is repeated, but rather that, qualitatively, in some aspect, they are indistinguishable. And the step Marx will take is to say: if we have abstracted from use-value, this cannot be a physical, chemical, or material property. Because just as we are looking at two use-values that cannot be equal in themselves, because materially they are different things, and therefore the common quality cannot be expressed in their material difference, what he will propose is: well, then any visible natural difference between one and the other cannot be the common attribute. In the next step, he says: if we disregard use-value, the only thing left for commodities as a common attribute is that they are products of labor. What kind of labor are we talking about?

Before we continue, I want to raise a point. Because the assertion that, well, if we abstract from use-value and all qualitative differences, and then comes the assertion that the only remaining attribute is that it is a product of labor… It takes a step that one might pause to examine because it appears as if it were a simple, immediate assertion. And then criticisms of Marx's development arise: one can abstract from use -value, but the commodity retains many qualities, so why go directly to the conclusion that it is the product of labor? What I am going to discuss is what I find in this development.

When one finds that something possesses an attribute, the question that arises from this observation is: where did the thing acquire this attribute? What action imbued the thing with this attribute? Consequently, the underlying question when one examines exchange value and states that there must be a common attribute is regarding what action imbued the commodities with exchange value. This action must have this dual character: it creates different things as use value and it creates the same things as exchange value. Marx will leave that for later (only Marx could answer why), but given what happens with Marx's development and the reduction of labor to a state rather than an action—something that appears in a series of discussions—and the fact that we are now seeing what is repeated and what is not… The problem is that when one presents it immediately, one is asking about an action, and when one looks at what happens with the *natural attributes* of commodities… And there are natural actions that operate in the transformation of

a thing into a use-value, but what one has before us is that this action cannot give a common quality to the universe of these products, which can be expressed through a completely unnatural relationship such as exchange, as I mentioned before. Here there is a transformation of the materiality of the object that is completely unnatural.

So, natural actions are each present in their own concrete form to transform things (let's put it that way) into use-value, but they can never have the attribute of transforming something into exchange-value. It's not simply because one says: we abstracted from use-value and then the material qualities disappeared. We're looking at what action is capable of imparting a quality that is expressed in the exchange relationship, and natural actions are not that. And when the assertion appears that the only quality it retains is being a product of labor, it also appears as an external assertion. And if one is looking for an action, if it's not a natural action, the other action that intervenes in making things use-values is human labor. And so one arrives at the same point, but not with an external assertion. This will emerge later. But in a world where the scientific way of thinking starts from the premise that analysis is looking at what is repeated —and here what we are saying is: analysis is looking at what action puts the quality, not what is repeated—, the exposition, immediately presented as if it were: “This is the quality”, lends itself to the inversion of saying: here there is an external process, and it is invalidated because we put 10 external processes in parallel and in each one the possibility of finding a common attribute appears.

When Marx goes further, what he proposes is: well, but if use-value is absent, it cannot be qualitatively different labor; it must be labor that, in all the concrete forms in which it materializes, possesses the same quality. And so what he proposes is: it is human labor *abstracted* from its concrete forms, which he will call abstract human labor, and what he will say is: what is revealed in this equality that exists in the exchange relation is that in both commodities there is the same materialization of this productive expenditure of the human body, regardless of the concrete form that expenditure has taken. And here he takes the step of saying: this is the common substance, a *social attribute* because the transformation in the exchange relation has no material character, and so from here on, what we have before us is the value of commodities: it is no longer the phenomenon of exchange, now it is the attribute that makes commodities exchangeable objects.

I'd like to make an observation that also relates to later arguments and to my previous reference to how the development evolves; how, if a development by the author appears and is contradicted, saying something different, to reclaim the older text is to assume that the author is in a process of regression with respect to their capacity for knowledge. And one of the manifestations of Marx's progress is that in *A Contribution to the Critique of Political Economy* he doesn't quite differentiate between exchange value and value. And what emerges here is a sharp distinction: up until now we were looking at the phenomenon, the appearance, and now we're looking at the attribute that takes shape in that appearance. And he will make this explicit by saying: let's leave that manifestation behind to ask ourselves about this content.

Marx is going to ask what this substance is. One discovered it by expressing its magnitude. The question is what determines the magnitude of value. If value is this objectification of human labor, whatever concrete form it may take, then the measure of its magnitude is the quantity of labor. And here a marginal but meaningful observation will appear. The magnitude of labor is measured by labor time, and in reality, this is a measure external to labor. Many measurement structures are external to their object. That's why determinations will appear that… The magnitude of labor is already present, but when one measures it by time, one misses the fact that this magnitude had a certain quality. When we look at the intensity of labor, we will see this issue: since I am measuring it externally, I cannot directly measure its magnitude.

Alejandro: Juan, is there a way to measure the productive expenditure of the human body that is inherent to it and not based on time?

JIC: In the concrete movement of labor measurement, what developed in the historical process was measurement by time. Not for measurement itself… for which one would have to plug an individual into a device that measures how much human energy, how much of their body they expended. One might think that abstractly there could be ways to measure the bodily expenditure of an individual working… And it will still be reduced by time anyway. One could say: well, to do this, the time doesn't matter: they expended this much energy. But in the concrete movement, what emerges is the measurement of labor by means of time. And since that measurement is external, one must take into account the variations that exist in labor. I'll say this upfront: essentially, what exists are differences in intensity. It's not that time is external, but rather the measurement made by time in relation to the expenditure of labor. Time is a quantitative determination that has a specific quality, and every concrete form of matter carries it. But the measurement, the reference that is made, is external.

Marx will focus on the fact that, even in what he observed—abstract labor—there is still a qualitative difference. This difference stems from differences in the productive capacity of labor, in labor productivity. And above all, labor productivity is related to the technology used for production. Differences in productivity arise that are related to the greater or lesser skill of one individual versus another, but what will emerge as central is a difference in the conditions under which each individual applies their labor. The example Marx will use is that of the handloom weaver who takes much longer to produce the same amount of fabric as a weaver using a machine.

When you look at it in terms of bodily consumption (if you work longer hours, your body consumes more), the challenge in this matter is how to erase it. If there is a relationship of equality—and this is the substance that constitutes the relationship of equality—then it means that this qualitative difference stemming from the productive power of labor must be erased. Marx will consider it as if all the labor of society were a single organ of labor, and that total mass is the sum of a set of individual labors. And that a total amount of labor was applied there. But how will this be recognized?

He will make the statement that the lazier the worker, the longer it will take, and therefore, in exchange, his commodity will be recognized as having more value than another simply because he worked more inefficiently or with less attention. And regarding the determination of this labor, which up to this point has been devoid of quality in its concrete form, but which still has a qualitative difference in terms of the quantity of labor expressed in the exchange relationship, what Marx will propose is this: what governs in a process where *no one* has the power to dictate the productivity of labor, the productive technique to be used, what will appear as the equalizer is normality, what is considered normal, and this is what Marx will call socially necessary labor time, which corresponds to a certain normality.

The simplest expression of normality is the average. Those who are above the norm because they have implemented a greater productive force will benefit compared to those who produced the same commodity with lower productivity, because the former will have contributed more abstract labor than the latter to production. And if what we are seeing in the exchange relationship is an equalization of quantities of labor, what will appear is that, on average (and this relates to the set that Marx is presenting here), the set of those who produced a certain commodity will contribute a certain amount of labor to the mass of commodity they produced, and on average they will receive the product of an equal amount of labor, but some will contribute less and receive more, and vice versa. And those who receive more do not do so through some abstract merit of their own: it is partly due to the merit of having a greater productive force, but partly due to the demerit of others for having a lower one. So what we will have before us is this determination. Marx will examine it through this general average. I sometimes clarify this because it will inevitably come up in some presentations: I often take normality as if it were the universal condition, to grasp the relationship in its purest form and avoid having to examine what happens within normality and the differences that exist among those who, on average, constitute normality. When it's necessary to examine what happens with difference, then we must look at what specifically happens with it.

Marx makes an observation in his analysis regarding the magnitude of a commodity's value. This value has an inverse relationship with labor productivity. The independent variable, so to speak, is labor productivity, and the dependent variable is the value of the commodity. If the productivity of the labor that produces a commodity increases, the value of each unit will fall because each unit contains a smaller amount of labor, and vice versa. But what one must always keep in mind is that a certain amount of labor (regardless of whether it operates with greater or lesser productivity) will always materialize in the same magnitude of value. So, if producing a certain commodity required a certain amount of labor, and labor productivity doubled, the number of units produced in the same amount of time doubled, and each unit contains half the labor it did before. But over the same total working time, the amount of labor remains the same as before, and therefore the mass of use-values produced (not the individual units, but the total) contains the same magnitude of value as before. This is important to keep in mind because it will play a role in many of the moves we'll see throughout the development.

So, I am about to pause, but I want to conclude with this. Now I will address this synthesis that Marx will present, which consists of observations of an external nature. Up to this point, I have been developing an analysis, and now these are observations where he will compare things and say that something can be a use-value without being a commodity, and this occurs when it is not a product of labor. He will give classic examples from political economy: air, virgin land, natural grasslands, and wild forests. What we observed and questioned was something that has a quality that is a product of labor. So, when he says that there are things that can be use -value but are not products of labor, what they possess are not commodities; that is why we did not see them when we began.

[...] If until now socially necessary labor was hand weaving, and now a mechanical loom has been introduced and—let's suppose—the productive power of labor has doubled, and this becomes the normal condition, then hand weaving, which produces half as much in the same amount of time as the machine, has ceased to be socially necessary labor. What is considered normal is that this production can be sustained, and here we see the movement of normality. There is a moment when the mechanical loom appears and the hand weaver is still in production, and it happens that, on average, the work of the mechanical loom operator will be represented as having a greater value, while the work of the hand weaver will be valued as having less than what each of them actually produced. But there will come a time when normality will shift, and the hand weaver will have disappeared. And then socially necessary labor will no longer include in its average a type of work that has already disappeared; the condition is this: that it is still recognized as socially necessary. That's why, for the analysis, I prefer to assume a unit that is universal within each production so as not to add: well, labor productivity has doubled, but is the old productivity still normal or is it no longer so?

Ignacio: Can it be use value and not commodity?

JIC: If it's not a product of labor, it can't be a commodity, but there are things that are use values and whose attribute as use values isn't mediated by the action of labor. But what characterizes wealth in the capitalist mode of production is this mass of commodities.

Javiera: Juan, in the examples you give, virgin land, meadows, etc., what we have is that they are use values without being value, insofar as they are not products of human labor, but can they have an aptitude for change?

JIC: The answer so far is that it's inexplicable; we don't know where it gets its aptitude for change. Let's keep asking about the commodities to see if the answer eventually appears.

[Frequently asked questions regarding these approaches]

As long as a particular material form is beyond the reach of the human subject, it is not a use value; it is useless because the subject cannot access it, cannot appropriate the materiality of the body that possesses it. For each society, different

things constitute use values. I'll take Marx's example of natural forests. When that use value, its production, was not mediated by labor, it had no value. What gives value to the wood of that natural forest is the labor of having cut it down (and subsequently everything that has been done to that wood). Later, we will examine (in five years) why natural forests have a price. But if we were to answer that question here, we would take a leap: we don't know the qualities of this commodity-producing labor, we don't know… all the things we are going to see. Otherwise, we could very easily fall into the trap of neoclassical economics and say: "because they are useful and scarce." There is a very simple explanation of value that would allow us to jump to that explanation […].

Alejandro: Are there use values that are not products of labor? That statement raises doubts for me.

JIC: Air is a use value and is not the product of a productive expenditure of human energy that is objectified externally to the subject who performs it.

Gabriel: In a few decades, with the development of the productive forces, I suppose there will be less work to be done because technology will have already taken care of it. In that case, does the mass of value fall even if the production of commodities increases?

JIC: To look at the concrete determination, it's whether the total mass of labor fell or not. If the total mass of labor falls, the mass of value falls.

Angeles: And education, as a product of human labor, is it a commodity or not?

JIC: Up to this point, yes, it is the product of socially necessary human labor. The educational process is an objectification of the productive expenditure of the teacher's body; they have to speak, draw, do something that externalizes that expenditure. This externalization is appropriated by another individual and consumed as a use value. So, if the product of education possesses the attributes required to become a commodity, it is a commodity. But we are only now looking at the attributes; we have to look at all of them to get there.

Felix: Water comes from nature, oil exists thanks to the dinosaurs, but extracting them involves work and they are sold; they are commodities.

JIC: Despite the dinosaurs, because… Poor dinosaurs, I don't think they had much intention of becoming oil. From the perspective of human labor, they appear as a condition external to the exercise of human labor; they are not its product. So, oil, as we know it, is a commodity because there is labor applied to extracting it.

[Responding to a lengthy intervention by Xatan] […] When one produces use values for oneself, these are not commodities, they are simply use values. What Marx will argue is: "To produce commodities, it is not enough to produce use values; it is necessary to produce use values for others, social use values." And here what will emerge is this: when we speak of socially necessary labor, social labor now has a second aspect that has become apparent: it is the labor in which an

individual productively expends their body so that another individual can appropriate the use value that was produced. When one works for oneself, it is simply individual labor. From this point forward, socially necessary labor appears with this dual determination: it is labor done under normal conditions, but it is done for others, not for the consumption of the same person who did the work.

Regarding the note by Engels—specifically the addendum he makes—Engels writes: "(And not merely for others, pure and simple. […] To be a commodity, the product must pass into the hands of another—the one who consumes it—by means of an act of exchange)"[13]. And so, what appears inverted in this clarification—which Marx had not deemed it appropriate to make—is that the product is now a commodity *because* it is exchanged; yet the actual premise is that it is exchanged *because* it is a commodity. Thus, I end up explaining the commodity in terms of exchange. But the problem we faced when we began was that we needed to explain exchange itself—and exchange was explained by the fact that commodities possess a common attribute that enables them to enter into exchange. I hold Engels's own work in enormous esteem (I find *Anti-Dühring* to be highly stimulating), because Marx dumped a massive pile of manuscripts—written in an atrocious hand—upon him and said: "Do whatever you can to get this published"; and Engels dedicated the remainder of his life to transforming that material into a publishable text. Given the criticisms of Engels that have surfaced today regarding what he actually published, I feel compelled to vindicate him. Engels abridged, organized, and filled in gaps; yet now, arguments are being raised claiming that the text was written not by Marx, but by Engels. The respect one owes to such an individual demands that one subject his work to critical scrutiny. And when one encounters a passage that suggests—well, that this particular explanation inverts the actual determination—one's duty is to point it out; to fail to do so would be to show him disrespect. With this, we conclude the first section of the exposition developed by Marx in *Capital*.

Xatan: In this case, does intentionality take precedence over activity? That is, if I initially make a product without any intention of exchange, but that product is practically exchanged socially, what should we understand that product of labor to be? A commodity or a product for personal consumption?

JIC: If I cook myself a plate of mostaccioli[14], it's not social labor, it's simply individual. And that's what we have so far. Later we'll see more determinations of this labor. I go to a restaurant and order a plate of mostaccioli identical to the one I make, and then it's a commodity. If I pick a basket of oranges and I'm going to eat them all, it's not a commodity; they don't need to enter the market. Why would I take them if I'm going to eat them myself? And that's all I know. So, in the next section, more qualitative determinations will appear. Up to this point, what we have is an abstract, socially necessary labor in the dual sense of being made for others and being made under normal conditions. The intentionality with which it is produced was never apparent in this. One would say: if something is subjected to change, it is because there is an intention to change it. What we have here is this: if I picked the oranges for myself and I eat them, it is not a social labor. And what is

[13] Marx, K., *Capital (1977:* 8), Volume 1. Mexico City: FCE.
[14] Macaroni.

subject to change is: one takes the product of one's labor to exchange it with the product of another's labor; one does not change oneself.

Ignacio: What if I swap it with a friend?

JIC: I'm going to answer one part and not another: I don't exchange things with my friends, I don't expect anything in return. That's all I can say for now; I don't want to get ahead of myself because the answer to what happens if I work for a friend, whether it's a commodity or not, will appear in the next section [...].

[**Recap**]

What we had proposed was that these use values carry exchange value in the societies we were examining, where the capitalist mode of production prevails. We encountered the question of exchange value, which appeared primarily as a quantitative relationship of equality between two things that, as use values, are qualitatively distinct. This led us to conclude that behind this manifestation of equality, there must be a common attribute or quality, and that if it is indeed a relationship of equality, it must be in the same quantity, and this quality must be manifested in this relationship. This doesn't seem to be related to use value: if we disregard it, the remaining attribute is that it is the product of labor in which all qualitative difference has disappeared, and then the following will appear: labor is an expenditure of labor power (it is spent = it negates itself) whose only quality is the absence of a specific quality (different from its concrete form): abstract labor. Up to this point, it has no more displayed determination than the character of expenditure (which is in itself a quality), but at the same time it seems that, as expenditure, its only quality is not having any quality that differentiates it within.

We contrasted this form of exposition with an analysis that asked, if there is an attribute, what action confers that attribute. Natural actions cannot confer the social attribute that commodities possess, which is to become unnaturally equal. The second type of action is also natural, since it is the action of a subject who is an organ within nature, but whom we find separated and confronted as a subject with the rest of nature, and what we had was human labor. Following the analysis, a qualitative difference appeared within this abstract labor: one that depends on the productive capacity with which the labor is performed. In this movement, which lacks an organization that *directly governs* the unity of this labor process, it appears that the only way in which the qualitative difference linked to labor productivity is erased is through the form of normality. In this form, the simplest expression will be the average amount of labor expended by the producers of a certain type of commodity with a given use value. Beyond the question of qualitative determination, this led us to quantitative determination. There is an inverse relationship between labor productivity and the value of each unit of commodity. A certain amount of labor always produces the same mass of value, provided it is socially necessary labor. Higher productivity will result in a larger mass of use-values, but each unit will contain less value, and vice versa.

Then another determination emerged that highlighted the analysis of the condition of labor as "socially necessary": that it is labor done for another

individual. The one who appropriates the use-value resulting from that labor is not the one who produced it. One can work for oneself, and one can work for another. Social labor is not abstractly "labor done in society" because all labor is. The difference is that there are jobs that are simply individual because the one who productively expends their body is the same one who appropriates that use-value and reproduces their body with that use-value (to put it simply), and social labor in which one individual productively expends their body and another appropriates the use-value and reproduces *their* person, let's put it that way. There is also productivity in individual labor. I can make myself a plate of noodles (gnocchi can't be made by machine) by hand. The productivity of the labor will be much higher when I do it with a machine. That doesn't mean my labor isn't individual. If I made it so that someone else could consume the noodles, my work, which is a productive expenditure of my individuality, is social work, which serves another, and is destined to be consumed by another *human being.*

2. Duality of labor represented in commodities.

We had reached this point. What we can say is that what allows commodities to enter into this relationship of equality that is exchange is that they are the product of equal quantities of socially necessary abstract (qualitatively undifferentiated) labor. Here Marx asks: what is this labor? What is its materiality? It is labor, which appears to be necessarily material, but it seems to have no materiality other than the absence of quality. So he will begin the analysis and say: let's go back to the beginning. What we had is: the commodity has this dual character: it is use-value (it serves to be used) and exchange-value (it serves to be exchanged). Moving forward, he will argue: it is not simply exchange-value, it is value, and that the labor that generates value and the labor that generates use-value do not have the same character: there is also a dual character of the labor that produces commodities, which will manifest itself in this difference between use-value and exchange-value, and in turn, in the fact that the commodity is both use-value and exchange-value. Marx "gives himself a pat on the back" here and suggests that he is the first to bring this to light, and that this is key to understanding political economy, and he will dwell on this issue of the analysis of the dual nature of labor.

For this analysis, he starts from a point where he is looking at the exchange of commodities, but at the same time, he will confront not exchangeability but use-value. He will look again at the exchange relation, this relation of equality, and from the point of view of use-values, what exists at one pole is different from what exists at the other. What concrete forms or modalities does labor have? If there are different use-values, it is because the labor that produced them is a concrete labor qualitatively different from one another. Here appears a mass of diverse use-values, which enter into commodities in exchange relations, and when one looks at this mass (recalling the immense accumulation), we see that they are products of different useful labors, and what appears here is the social division of labor. These things that come into exchange do so because social labor is divided. The social division of labor is a condition for the production of commodities, but the production of commodities is not a condition for the social division of labor. Here, then, he moved beyond the capitalist mode of production. This observation led him to the process of social production, of human metabolism in general. But he immediately makes an observation that refers again to the specificity of commodities and the capitalist mode of production: only the products of private and independent labor *are related* as commodities. He adds: in a commodity-producing society, through this private realization of social labor, the concrete form that the social division of labor takes in this type of society unfolds, where commodity producers are independent of one another.

Here we can pause to consider the material attributes of private labor, performed by independent producers, or leave it as is and move on. Marx takes the second path. Why? We should have asked him that at the time. I can think of a reason related to the way he's developing his argument, which we'll see in the text itself as we progress. This approach gives rise to criticisms that say: "What role does this 'private labor' thing play? It's just something that's stated like this..." And so the private nature of labor is erased and disappears. You find texts that are about 50 pages long discussing value, commodities, and commodity-producing

labor, and the private nature of labor never appears. This externality can give rise to these kinds of arguments.

[Answering questions.]

The division of labor is not a product of commodity production. It is a condition for commodity production, but all human societies have had processes of division of labor even without commodity production. The independence of producers implies that they will have no connection with each other in the production process, and consequently, labor will be divided, with each worker specializing in a specific form of labor or a limited number of specific forms of labor.

Regarding the question of which direction we should take in our analysis, one must bear in mind, as we progress, that the analysis is inquiring into the determination of the form we have encountered. And that one cannot answer beyond what is currently faced in the purity of the simplest determination of commodity-producing labor. And if this has extremely complex forms that appear to be the negation of that simplest form… one encounters the problem of having to say: either the simplest form is useless to me, and so I will stick with the complex, developed form; and when I want to explain it, when I begin to question the necessity of the developed complex form, I will continue to ask myself about the simplest determination. Or I will say: I will stop at this appearance, and consider this question answered. Therefore, one must approach it from the simplest form in which it presents itself, among other things, the private character of labor. That is why I am not going to use the path that Marx uses, but I propose that we stop to consider what the private character of [social] labor is, what an independent producer is.

We look at the materiality of the work process, and one aspect of this is how it is organized. When one analyzes what a commodity is in relation to how the labor that produces it is organized, it is because it is produced by—first, I'll use the term in the abstract—producers who are not directly linked to one another. This means that one is an independent producer, not linked to other members of society, neither to other producers nor to the consumers—of their product—: they have complete control over their individual work as a producer. Up to this point, I've used "producer" in the abstract; the purity of complete control over the producer 's work corresponds to an individual producer. If I work, I am a producing subject; in a collective, if the producers are a collective, then I couldn't have complete control over my individual work because I have to combine it with the other members of the collective. If I ask myself what the nature of this organization of work is, what I'm asking is: is it work done independently of others, whose pure expression is a producer who has complete control over their individual work?

The terms “independent” and “private,” which might seem redundant, have this meaning: “ *independent* ” refers to the producer's assertion of not being bound to

anyone in the organization of their work. “ *Private* ” means that other individuals cannot intervene in the organization of their work. Each person's full control over their individual work has this dual aspect: they organize it independently of others, and others are excluded from participating in the organization of this individual's work. When one asks what attribute is inherent in the materiality of commodity-producing labor, what one finds is how that labor is organized: privately and independently.

Private and independent organization is an individual producer who has full control over the specific form their productive expenditure of their body, their labor, will take: what they will produce, how, with what technique… This is all we know about this producer up to this point. Clearly, this is no longer the general form of commodity production. Here we have this alternative: the concrete form seems to be the negation of this. What do we do? Do we move to the concrete form without having examined privately and independently organized social labor in its purest form? Or is this all we can say about private labor up to this point? What we have before us is social labor that has this form of organization, and let's see where this movement leads us.

Up to this point, we've been asking about the determinants of this work. Here, an observation that Marx doesn't explicitly state is relevant, one that arises in his early work until he discovers that the issue is private labor. To have full control over individual labor, one must have private ownership of the means of production, because if I share the means of production with another individual, I no longer have that full control; I have to agree with the other person on how to use the common means of production. This isn't explicitly stated, but Marx progressed on the topic of private property, and at a certain point, he says: the problem isn't private property, it's the private labor from which it springs, the private form that social labor takes in the capitalist mode of production. So what we have here is the absolute purity of social labor done privately and independently, the simplest form of the private character of labor. Marx presents this as an observation external to his analysis; he simply says: this is it, this is the condition of labor that comes into play here.

So, he will continue to move forward and will now examine how the product of labor, already known, presents itself with this dual condition of useful labor (a term frequently used by Marx; I will use "concrete labor," but it means labor done in a form that is socially useful) and abstract labor, now performed privately and independently. Marx argues that there is always a portion of wealth provided by nature that human life uses as a starting point, and material wealth depends on the concrete, useful forms with which human labor takes forms from nature and transforms them into use values. This labor is useful, concrete, a condition for human life, and what will emerge is an eternal condition for the reproduction of human life: human life is a process of metabolism, an organic exchange between human beings and nature. Again, what will emerge regarding this material wealth, but now viewed in the specific social form of commodities, is that these are, in this sense, products of both nature *and* labor. And what will always be said, if one abstracts from human labor, is that a natural substrate always remains. This relates to a discussion and a critique of Adam Smith's argument, in which no

natural substrate remains; everything is broken down into forms corresponding to human labor. In Volume 3, there is a critique of that argument. Material wealth is always the product of labor and nature, and human beings, beings of nature, do the same as nature: they take that natural matter and change its form, they transform it. Looking at the question of use value and material wealth, what will happen is the determination of commodities as *values.*

What Marx discovers is that there is an immediate manifestation, which is exchange value, that relationship of equality between commodities. But he says: we have to set aside this expression to analyze commodities as bearers of that exchange value. And what begins to appear is value (Later he will return to exchange value and make a series of observations). I have many reservations about saying whether there is a *concept* of value or not. Marx speaks of such a concept, but at the same time Marx says: “I don't start from concepts.” One doesn't begin by constructing concepts; up to this point, there isn't a single concept as a starting point. We didn't say: “From the observation of a concrete thing, we are going to separate these aspects from it and establish them as the concept of this concrete thing.”

We start from that immediate observation of how social wealth manifests itself in societies where the capitalist mode of production prevails, and we begin to ask ourselves: What is a commodity? And the only thing we knew about it at that point is what is commonly understood: it is a useful object. And we return to the point where the concept of that utility can have a more common or more scientific scope; it unfolds according to how far one intends to go with the thing. And we return to the immediate observation: well, in these societies, this is the bearer of exchange value. Common understanding says that exchange value is this relationship of equality: I give this and transform what I had into something qualitatively different. And we said that in order to enter into that relationship, there has to be a common attribute, and we begin to ask ourselves about that common attribute; we didn't say: "The concept of value, then, is this." Natural? It doesn't appear as a natural attribute. What other action can create the attribute? Human labor.

Nor do we propose a concept of "human labor." And now we have common knowledge about human labor, which then penetrates that labor and ceases to be common knowledge when Marx begins to look at it, and says: this is the first time anyone has realized that labor has this character. And that is not the product of immediate observation, of common knowledge, but of knowledge that questioned the necessity of that action which introduced a certain quality. He says: well, if there is equality there can be no qualitative difference, so it has to be labor in which these differences have been erased, but a qualitative difference remains linked to the productivity of labor. How is that difference erased? The question is not that to erase it one has to do *this,* but how can it be erased in a movement in which there is no direct regulation? The answer: as in all movements of this type, it appears emerging from a multitude of independent movements; if it carries a determining factor, this will manifest itself as *normality.* It's not that there's a concept being put forward saying, "This is normal work." What emerges is: if I have this issue in front of me, this determination has to be resolved, which is resolved through normality. And then it continues. Nowhere is there a concept of "value."

Smith and Ricardo sometimes use the term "*value"* as a synonym for "exchange value" with complete indifference. Marx still does so in *The Contribution.* And the term "value" appears without any specificity regarding the term "exchange value." In *Capital,* Marx clearly distinguishes between the attribute of the commodity and the way in which that attribute manifests itself, between value and exchange value. The point here is that there is a method, and it is not the same method in which we are all trained. And the more scientific training we have, the more we are trained in this method, which is that of *logical representation,* which corresponds to a process in which one starts from concepts: one starts from an analysis that does not ask what the determining necessity is, but rather states: there is no necessity here that is not already manifest; the only way to discover necessity is to look at its manifestation, which expresses its necessity through repetition. If it is always repeated, this is a necessity that is present. The concept is built by saying: I take this that is always repeated, this other thing that is repeated, and this other thing as well, I put them together and I have the concept from which I will start later, returning to the concrete on which I have to operate.

In our ongoing work, we didn't explicitly state this, but we didn't conduct this type of analysis. We didn't say that the only way a need expresses itself is through manifestation; on the contrary, what we said when we looked at exchange value is that manifestation is inexplicable. What we have to ask ourselves is what lies behind that manifestation, what content is manifested in exchange value, where this attribute comes from that allows things that are apparently qualitatively different (what is repeated is that they are qualitatively different) to be placed in a relationship of equality that implies a common quality. We didn't say, "Let's analyze it this way," but what we did was analyze in a way that implies that we *didn't* say from the outset, "the need manifests itself." On the contrary, what we are looking at is: the need manifests itself differently in the concrete object before us. And what we continued doing was asking ourselves what quality this object possesses.

What we have here is an analysis, a questioning of the need that is becoming apparent. We don't have a conceptualization. Marx doesn't begin by saying: well, human labor is this. What he begins by saying is: what I have in the capitalist mode of production that catches my attention (so to speak, and it's presented as an immediate observation, although it's obvious that it isn't), is the commodity. So, what is called "labor" in the capitalist mode of production? Whether its etymological origin deviated from that, or the historical development of the term... that's not the point, that's not the problem I have. What I did was take what is called labor today as a general description that is valid for any mode of production. To know this, I don't need to look at the historical development of labor; I simply say: it is this expenditure, and this is a natural condition of human life—past, present, and future (although it's missing a part that I don't want to include here). If I want to approach this historically, among the aspects that will emerge is how concrete labor evolved, the production of means of production, but that doesn't answer what a commodity is. What we're starting from is this: history exists here as a result, it exists because of its product. The capitalist mode of production comes

from a historical process, but we're not looking at that process of the mode of production's genesis, but rather at the mode of production itself.

Conceptual construction has this character: I construct concepts from which I will unfold the return to the concrete. And up to this point, I haven't encountered any point where I had to say: *this* is *this.* What unfolded was a process of naming. This, which began by describing it as an expenditure of labor power abstracted from its useful forms, is a description I don't want to put first because Marx doesn't present it in this way. But I prefer to leave it for later. When one looks at oneself and says: what do I do when I work?, one describes oneself in terms of what one does. And this is what Marx is unfolding, but not from that description; rather, he was questioning the attributes of the commodity, etc., and the differences between concrete and abstract labor emerged, and from there he will continue to advance. At some point, Marx uses the term "fits" his concept, which he clarifies in the prologue: he flirts with Hegel's forms of expression (no one can say exactly where he was flirting with Hegel's or not; only Marx could say, and he didn't include it in the text). I can interpret this "fits" in one way, but I can't say that's what Marx actually thought, and it seems to me that it lends itself to confusion.

I take the term "mode of production"—and it's just a name, I don't really know what a mode of production is up to that point, I only know that it's a name, and again, it's not a name from common knowledge—but I look at it and what does it say? The way in which production is organized. That's all it says up to that point. To put it another way: in societies where production is organized in a way we all call "capitalist," social wealth appears as an immense accumulation of what we all call "commodities": it has no more content than that at that level. I brought up the experience with that workshop on *Capital* where this first sentence was discussed at length because it was seen as a succession of concepts, and it isn't: it's an immediate observation (as it's presented) that doesn't say what a mode of production is, what capitalism is, what a commodity is… It doesn't say what a commodity is so much that when the sentence ends it says: well, then we have to answer what a commodity is; if the concept were already established, there would be no need to ask.

If I have to learn the method of logical representation, I have a body, or rather a *corpus,* which is the method of logical representation: I have to learn logic, I have to learn what a concept is and the connections that logic establishes. I don't care about the content of the development; what matters to me is the structure, the coherence of logical necessity. So I have an object that I have to appropriate before I can fully develop the capacity for logical representation. It's clear that in concrete action one doesn't learn it this way, but it corresponds to that development. Here we are seeing a method that doesn't have that external structure, that cannot be presented *a priori* because it can only be developed, unfolded, from a concrete reality about which one wants to answer questions regarding its determinations.

I think I first raised this point when I started giving about three workshops on the dialectical method, and each time I felt more and more at odds with myself, which I ended up expressing ironically: this is knowledge that can only be truly appropriated if each person develops it for themselves— *believe me,* it's true. So it

was: it's objective knowledge that can only be unfolded if each person does it for themselves (no one can tell you how). One of the problems that arises with this is: well, it's the same as logical representation. If I believe in its principles, like the principle of identity, if I believe it has consistency because I can apply it to a real-world situation. The principle of identity states: “Nothing can transcend itself; when it reaches its end, everything beyond itself is itself, and therefore there can be no form that does not have a content that is not equal to its own form. And everyone knows—because this is common knowledge—that appearances are deceiving, and therefore it is not that a form cannot have a content that is not equal to the form. So, in logic, I have to believe, I have to accept its principles. And here there is no principle to begin with.” All of this is part of what will later emerge in the development.

[Xatan doubts that work is a condition for the reproduction of human life.] I am not projecting the organization of capitalist labor onto all of history. On the contrary: I find something that is not common to previous social forms. What I do is: I look at myself, doing what I am doing now, and I describe myself. I am expending my body; I cannot do what I am doing if I do not expend my body. To materialize that expenditure in a concrete form that is expected to be useful (or that is my intention), the concrete form is that I am speaking, expressing, giving objectified form to my thought. What is my purpose? To produce this externality to myself. To do that, I operate on the medium using the computer and transform that external medium, which in this case are those who will consume what I am proposing. I don't have a concept; I am describing what I am doing.

This is what I'm developing, and for that reason (Marx elaborates on this later), the description I made has a form of organization, not referring to the mode of production but to the way I govern the productive expenditure of my body. We've already established that knowledge is the organization of action, which is organizing itself because I have to expend my body to organize it, knowing what potential I have as a subject in relation to the potential presented to me by the environment. If I look at early humans 2-3 million years ago, there's a difference in the form of that knowledge. Mine is conscious knowledge, which knows that what it's doing is organizing action. Before, it was simply an animalistic organization, which is transformed because the productive forces of labor are developing, the starting point becoming increasingly separated from the end point in the metabolic process. And so, what's implicit in this reference to what I'm doing is that I do it by organizing it consciously and then voluntarily.

Marx focuses on labor, and what he observes is not just any human labor in the development of humankind, because consciousness and will are not present at the origin of human existence. When Marx examines labor in Chapter V, the first thing he points out is that we do something common to animals, but organized consciously. I am not projecting a definition of labor specific to the capitalist mode of production onto the history of human development. I am simply offering a description. The spider productively expends its body, giving that expenditure a concrete, useful form (making its web), and appropriates its environment. Part of that environment is the product of its own previous labor, part is nature unmodified by its productive activity, and I have this same observation. Later, I will

reserve the term "labor" for human productive activity; what is properly human about this labor is its conscious organization. I am not projecting or adopting a concept of labor, but rather describing something that has the general name of "labor."

Each person must move forward in the direction they believe will lead them to something that will allow them to continue progressing. The worst thing one can do is to go one way simply because someone else says to go one way, even though one thinks they should go another because they expect to find an answer there (or a way to continue questioning), that is, "then I'll go this way." This becomes an abstract process. What one should never do is stop in that progress and say, "Well, I've already answered my question." Because concrete forms are always transforming, and one is always transforming oneself (organizing one's actions, questioning one's potential as a subject in relation to that of the environment).

[…] The human life process is a natural process; it is not separate from nature. When one looks at this life process not from the subject's point of view, but from that of the organic unity of nature, human life is a concrete form, an organ in its movement, of the process of matter's existence (to put it very generally). When one looks at it from a subject's point of view (and this applies to human life as well as to the amoeba), the rest of nature is no longer simply that there is a unity of general movement and I am an organ of it. As a subject, one sees oneself as distinct from the rest of nature, which is The *medium* we appropriate. Whether or not viruses qualify as living subjects is under discussion: the question is whether they expend their own bodies, but they need to appropriate the medium to reproduce because that possibility doesn't exist within their own corporeality. *Only living* forms of matter are subjects; other forms transform, possess potentialities to be realized, but when they realize them, they cease to be what they were, they are destroyed. Living subjects, when we realize our potential, reproduce ourselves (this transcends individuality, but I'll leave it at that).

Throughout our analysis, we are examining a natural process whose *generic determination* … Every form of existence of the living subject, the individual organs of that living subject (the individuals), are linked to one another in such a condition. Human beings do the same as other living subjects in terms of the simplest content. But these relationships, this organization of the human life process, due to their generic difference from simply animal, plant, or other life… I will use the term social relations *and* I *will not speak of social relations among animals,* however extremely complex they may be, but *simply natural/animal ones.* I will consider it a naturalization to assume that there are social bonds among animal species—what exists are animal bonds—and to assume that there are simply natural bonds among human beings, because they have concrete forms that are proper to human beings. It is not that social relations are not natural: they are a form of nature, but they correspond to a subject that is *generically different* from all other forms of living existence […].

[**Recap]**

A *concept* is an ideal or logical construct (based on logical principles) regarding a concrete thing, which begins by explaining *what that concrete thing is.* The contrast with the common name for something is that it is stated directly: the commodity is this, it has this relationship to this and to this. A concept of "commodity" would be to start directly from the premise that the commodity is a product of the SNALdPaI (Task, Language, and Intellectual Property [15]). I am not confronting the concrete, the object before me, to ask what potentialities or needs it contains and ideally accompany it in the unfolding of that need; rather, I am stating it as something that is already "finished" from the outset. To say that a human being *is* a free individual is to start from a concept of the human being. When one looks at Ricardo's developments, the enunciation of the "or" is part of concepts. He says, more or less: use-value is a condition for exchange-value to exist, but it has nothing to do with the determination of exchange-value. There is a statement of a starting point that I either have to accept as such or I have to reject: I cannot ask myself what determinations the use value has.

When we begin, we aren't even considering the existence of something called *value.* At the outset, we only have the immediate manifestation of the commodity in its exchange relation, and then we give that manifestation a name: exchange value = it serves to exchange. What we discover are the attributes, the potentialities, of the commodity. The definition of the commodity will come at the end of the development, which is when we will be able to synthesize all its determinations in the form of a definition. The concept is to start from the definition, from having defined something *a priori* as a statement that has an ideal character, a product of thought. In the *Grundrisse, Marx* makes an observation to himself and says that his way of presenting things needs to be corrected because it seems like the movement of concepts. In *Capital,* we will often see that, as in Chapter I, it begins with an immediate observation. [...]

The question is, why does it have this capacity? And the more general question: what makes commodities qualitatively different, interchangeable objects? The first thing one does is, “with the body,” encounter what appears as an immense accumulation of commodities, but then, “with the mind,” one says: I find this within this object, and that to have this quality it must in turn have this that I find gives it that quality; and I ask myself again why this gives it this quality, what attributes it must have to give it that quality. And we don't have an answer to that for now. This cannot be put into a short text because this contradicts the normal form of scientific knowledge in the capitalist mode of production, which starts from concepts. One states the concepts there, and then all the determination from which it will continue to flow is already given. If one is going through the process and presenting it to subjects who are familiar with that development, one can skip around; one doesn't need to repeat the entire explanation. But if not, there's the problem that the explanation, in order not to be reduced to a mere statement of concepts, is extended.

[…] Where does the philosophy of the capitalist mode of production (which, moreover, is inherent to commodity-producing societies) originate? It begins with

[15]Socially necessary abstract labor done privately and independently.

the concept that human beings are free subjects, and from there we begin to discuss what happens to their natural freedom; the question isn't what constitutes a free subject. If I look at it historically, the first thing I'll find is that, strikingly, “free individuals” only exist as a result of commodity production. In all social forms where commodities weren't the general social relation, and even in societies where commodities already had a significant presence, there are no free individuals; these are societies of serfs and lords, slaves and masters, “primitive” communities, caste societies… So I can't start from the premise that human beings are by nature free individuals. We should ask why they are presented to us as free individuals in this society in which I live and start from there, from what appears to be the common definition of “freedom”: not being tied to another individual, not having a personal bond with another individual. I have no concept.

When Marx returns to the determination of value, he continues with a synthesis of the question of the concrete forms of wealth, referring to material wealth. He clarifies that, apart from what is immediately apparent as a product of nature, material wealth, beyond its natural form, arises from productive activity, from concrete forms of labor. And what emerges is this: useful labor is a condition for human life and is independent of the forms of society, because this is how human beings carry out their metabolic process as organs of nature. But, as living organs, they act as subjects, and consequently, what we will see is that the living subject will expend their body to appropriate nature and reproduce themselves. With this approach, he continues to advance and says: as material objects, in their materiality, commodities are the product of the combination of two elements: what nature supplies and human labor. However much one might want to reduce material wealth to a mere product of human labor, this is impossible; there will always be a natural residue. I think we reached that point last time.

[II]

Now, what emerges with this transition is what happens to the other attribute of the commodity, which is its *value.* This brings us back to the question of its attribute as an exchangeable object, because these are products not of concrete forms of labor, but of abstract labor. Here, the material quality of abstract labor immediately becomes apparent. One might say that the first time it appeared, it was already present because it was understood as an expenditure. But now it's described as a productive physiological expenditure of the human body (muscle, brain, etc.). The problem is that value is an attribute that is the opposite of a material attribute of the commodity. How is it possible that through a movement like exchange, the materiality of the object is transformed without anyone physically touching that materiality? (e.g., 10 yards of linen = 1 frock coat). When the yards transcended their original state, the one on the left became the one on the right, and the same thing remains as before; there was no material transformation. Here we have a material expenditure of human labor that gives the commodity an attribute that is completely "immaterial": the attribute of being a changeable object, a social attribute. But it is a material expenditure of human labor. Therefore, the analysis must continue to advance with respect to this material expenditure.

In what sense does abstract labor create this equality? In both commodities, at the two poles of the relationship between equivalents, the same material quantity of productive energy, of physiological expenditure of the human body, has been objectified. In the body of the commodity producer, before production, there is a quantity of latent energy, and when labor is performed, it is materialized/objectified in the product. If we look at socially necessary abstract labor—that is, labor done under normal conditions—measured by time, we see that the same quantity is objectified. Here, a qualitative difference will appear with respect to simple abstract labor insofar as… If we look at human labor in its unity, we see that it is a productive expenditure of the body carried out in a specific, useful form. What appears here is that abstract labor will have a quantitative expression, and in it, the simple expenditure of labor power contains a qualitative difference between simple and complex labor. It is not just any TaSn: for this homogeneity expressed in the relationship of equality to exist, its producers must have expended the same amount of their bodies to have this productive capacity. The work that matters here is the kind of work any average person without specialized training can do; those who do it are equal in every respect. But there are jobs that require the person performing them to expend more physical effort to train and develop the skills necessary to do that work, in contrast to the work the average person can do. This additional expenditure is added to the labor directly involved in producing the commodities.

First, he says it's "enhanced labor," but he'll correct himself and say "multiplied labor." The difference lies in intensity versus extent. On the extent side, there's more labor involved in producing that commodity than is apparent if one looks directly at the individual doing the work. This idea stems more or less from Smith; Ricardo attempts to explain this difference, and Marx sees it as a qualitative difference that still exists when one considers abstract labor in its general terms. If

complex labor is a multiplicity of labors, then in concrete terms, this counts as a sum of simple labors. The labor done to develop this capacity to work was also, at the time, a simple, normal expenditure that must be added to the simple labor being done in immediate production.

We will return to this later, once we have examined the development of value determination, because there one can answer the question of why, in this form of society, the labor that the individual performs to produce himself, if normal, does not enter into the value of commodities, but if abnormal, it does. Up to this point, we lack the unity of the movement, and for now, it will remain an external assertion.

[...] Then, this idea of augmented or multiplied labor (depending on the translation) appears. In concrete action, this qualitative difference—because there can be different degrees of augmentation with respect to simple labor—is resolved, just as normality is resolved in the movement of commodity exchange. And Marx will present for the first time what is an assumption in the development that contrasts with those approaches that start from assumptions. Here we find a *quantitative determination,* which is abstract labor with different degrees of simplicity/complexity. This differentiation is always present in Marx. But for the development we are going to follow, we will consider the expenditure of labor power as if it were immediately simple labor. Because otherwise, one would have to say: here a quantity of abstract labor has materialized, the magnitude of which depends on whether it is simple or complex. Instead of complicating things, the assumption is: we will consider that it is always simple labor, as if that were the general form (although we know that it is not). It is a use of the assumption that contrasts with that of logical representation.

Marx will synthesize all of this development, and one aspect of this is: regarding use-value, what matters are the qualitative differences in the various forms of labor, the concrete ways in which the work was done. Regarding the determination of value, the only factor that matters is quantity, which is what has now been discovered in relation to the starting point: we already have the common quality. The contrast will emerge between material wealth and the social form that this wealth takes. Material wealth is the quantity of use-values; the greater the use-value that society possesses, the more material wealth it has. Material wealth may increase while, at the same time, the *magnitude* of its value decreases, and this is linked to what happens to labor productivity. And this is an expression of the dual nature of labor. The same amount of time always materializes the same quantity of value in its product. It doesn't matter what the productivity is: this only influences the quantity of use-values. When it materialized in more units, the value of each one decreased. The question of labor productivity refers to concrete labor. [...] It is impossible to expend one's body productively without giving that expenditure a specific, useful form, to do abstract labor without it simultaneously being CL [16]. These are not separate things, even though one can analytically separate them because of the different roles they play.

[16]Concrete labor.

[Xatan brings up the topic of work in history again.]

I'm going to look at this question in two ways. Marx will focus on the question of consciousness as a properly human form of organizing the body's productive expenditure. One looks at labor, and it is a condition for human life: he doesn't say that *every individual* must work, but that *someone* has to work. [...] I raise the issue of conscious and voluntary labor before Marx in *Capital,* when I raise the issue of abstract labor performed in a private and independent manner, because there are a number of prominent arguments that question the materiality of abstract labor.

When I have to develop a topic that begins with the economic and political forms that Argentine society presents today, what we do in my courses is this: we start with a series of observations about the forms that Argentine society takes, and the question is: how do we explain all this? Because the problem is: what are we going to do in the face of this? What are we as subjects in relation to this? A whole series of explanations emerge that begin or stop at concrete forms of general consciousness, of general subjectivity in the life process of Argentina, which end up in explanations that even take on the character of a racial explanation. What we are going to do is a process that has a completely different form: we are going to start with the simplest determination or form of our human life process: a metabolic process, in which the body must be expended to appropriate the environment and reproduce the body itself. And it is not historical: I am looking at myself, not at history, at my condition as a human subject. And the simplest thing is: I am a living subject, and life is this process of metabolism.

Every living being, because it must expend energy to reproduce, faces the possibility that this expenditure of its body may not result in reproduction. Consequently, what living beings do is expend their bodies *in a limited way* to virtually appropriate their condition as subjects in relation to their environment. What they need is to make a limited expenditure of their bodies to discover if they possess the potential to appropriate the potential offered by the environment for reproduction, instead of simply throwing their bodies into the process, because the result may not be reproduction. And this appropriation of the properties one has as a subject in relation to those offered by the environment is the process of organizing action, that is, of knowing oneself as a subject. Knowledge is a moment of action, of this expenditure, which sets in motion the idea that if these potentialities are appropriable, I realize my potentialities to appropriate those of the environment; my action is the way in which the potentialities of the environment are realized; I appropriate the environment and reproduce my existence. As I expend my body in action, I transform my potential and that of the environment, and therefore I must constantly expend my body to understand the expenditure I am making. Productive expenditure is not separate from appropriation: at the moment I am appropriating, I also have to expend my body (consumptive expenditure). Knowledge is the moment of organizing the action that is underway. We live in a society in which knowledge and action appear as separate and even opposing things. The fullest form of knowledge is theory, and it is separated from practice, even when we speak of "praxis" as the application of theory.

What other determining factor will I find as a general condition of life? The expenditure of the body is aimed at the reproduction of the body. Therefore, the power of bodily expenditure must be multiplied to multiply the reproduction of that living subject. This subject carries within it the need to multiply its capacity to appropriate the environment. Put in very simple terms: a species that is incapable of multiplying its capacity to appropriate the environment is doomed: the environment changes, the potentialities it offered no longer exist, it did not develop the capacity to advance beyond the appropriation of those potentialities, and it can no longer reproduce its life.

So I raise a second question: we live in a society that says what I've just stated doesn't exist, that all movement is external to concrete existence, that nothing can contain within itself a potentiality other than the concrete, realized form it already possesses. Then the question returns: why does all change appear as an accident or as an external subject? And what I say is this: living beings carry *within them* the need to multiply their capacity to appropriate the environment and to transform themselves. If I look at this general form in human beings, I can say: human beings don't expend their bodies to *immediately appropriate* the environment and reproduce themselves, but rather they expend their bodies to transform the environment and appropriate the product of that transformation; that is what I call work.

This is not an exclusive attribute of human beings, but it is emerging as generically characteristic of human beings. How does the human capacity to appropriate the environment develop? What form does it take? It is the development of the productive forces of labor, the development of labor's capacity to transform the environment. What is the "general" form of advancing in the capacity to work with the environment? It is the production of means of production: it is productively expending the body, not to produce something that serves to be incorporated into the human body and reproduce it, but as a means to operate again on the environment, transforming it, to expend the body again, until finally, in that process, a means of subsistence is produced (which serves to reproduce a human body). Human life differs from any other form of life by the power that the human subject acquires in this process of appropriating the environment to reproduce itself. Up to this point, there is a *quantitative difference,* but what follows is a *qualitative difference* that follows the form of organization of this process. I'm not going to call the productive expenses that animal species make "work"; it's simply a matter of terminology to be able to look at what is specific to human beings.

As the starting point of the body's productive expenditure becomes increasingly separated from the outcome of that expenditure—the production of a means of subsistence that reproduces the body—it entails the necessity for the human capacity to know (to organize its expenditure) to expand and reach ever further. This expansion is temporary, due to the increasing complexity of the process, which is social, not individual. […] As this occurs, human knowledge expands and becomes so complex compared to animal knowledge that, in order to organize the human life process, it needs to know itself as a process of organizing human life—

as knowledge—and knowledge that knows that it knows, that organizes, is conscious knowledge. And now human labor is no longer distinguished from other animal productive activities by the extent of its capacity to transform the environment, but by the way in which it is organized: human labor is a conscious and therefore voluntary action: because I consciously know what objective I am aiming for, I then fully expend my action, for which my consciousness must continue to govern that expenditure throughout the entire process. Human labor is a conscious and voluntary activity. Up to this point, the forms that consciousness takes have not appeared. […]

When we look at the development of the human life process (which is social, although carried out through the activity of the individual organs of that process), we find that each human generation is part of a world that has been transformed by the work of the previous generation. Consequently, each generation is the product of the conscious and voluntary action of the one before it. To summarize: human beings consciously and voluntarily produce themselves from one generation to the next. Consequently, human beings are the sole subjects of their own history. Animal species produce themselves from one generation to the next, but not consciously and voluntarily. This is what separates human beings as a genus from animal species. [I anticipate what he says later to complete the thought] We have the animal genus, which has different species, and human beings begin as one of them. Now, they have a way of carrying out that life process that is different from that of animal species. So, when we look at it with this attribute of consciously and voluntarily generating itself, it is no longer a species within the animal genus, but a distinct genus.

The younger generation can complain about the messed-up world the older generation is handing them. And we, the older generation, can say: we're sorry, there's no going back, we made this world with the best of intentions. But the problem, as historical subjects, isn't apologizing for the world we handed them down or complaining about the world we received: it's what we do to hand over to the next generation a world that isn't a mess. So, when one confronts the development that Marx presents in *Capital,* it's the question of one's own condition as a historical subject. That unfolding I undertook wasn't based on looking at history, but rather on looking at the very process of human life, of which I am an immediate part; I didn't start from a concept of human life, I started from what I do, from the fact that I spend all my time and have to appropriate my environment, and that is my life; under extremely complex concrete forms that are elementaryly unfolded here, but everything I do is the movement of my metabolic process in this form, etc. Up to this point, I haven't experienced that condition of being a free individual; what I know about my condition is that I am a producer of commodities, I produce them and I exchange them.

This quantitative difference emerges and becomes a qualitative one. Human labor begins as simply animal knowledge, that of a complex animal. We can already speak of being human because there is a quantitative difference. But one doesn't work "instinctively" [responding to the chat], but consciously and voluntarily, and labor has a purpose, though I don't quite understand what a "purpose in action" is. It's not just about animals: plants also have forms of knowledge, of organizing their

appropriation of the environment. And in human beings, there are all the simpler forms of knowledge that precede this fuller form of manifestation. The digestive system knows (under a form of knowledge whose name I no longer recall). As human beings advance in the development of the productive forces of their labor, they not only advance in their capacity to transform the environment, but they also transform themselves. The simplest and most immediate expression of this is the transformation of the human brain as the organ that governs conscious and voluntary action; it is the product of the development of the productive forces of human labor; it is the bearer of the advance in that development of the capacity to organize social work.

[It seems he was asked whether animals simply work to "survive"]: I don't know if the term is "survive," if animal activity is only for survival, because they need to develop their capacity to appropriate the environment. One difference with human beings regarding this development is that animal species "focus" the development of this capacity on the transformation of their own bodies, on mutation, while human beings "focus" it on the development of the capacity to operate on the environment, which generates the transformation of their own bodies (brain, capacity to speak, etc.) [...].

[Responding to a question about what "voluntary" means]. In the origin of humanity, *will does not exist,* because voluntary action is governed by *conscious knowledge.* [...] This increasingly complex animal knowledge is transformed into knowledge that recognizes itself as knowledge. Therefore, what I propose to differentiate work as a generically human activity, qualitatively distinct, as consciously organized work, is a *voluntary action.* I wrote somewhere: if I fall onto a pile of flour and gnocchi come out, I can't say I was working because I didn't do it consciously and voluntarily.

Up to this point, we haven't discussed how that consciousness and will are determined. We haven't talked about the degree to which they exist, how far they are aware of the constraints they carry, how they are aware of them, whether they stop at a more or less immediate appearance or transcend them… Now: no one can perform their individual work *today* without conscious control of what they are doing and without doing it voluntarily. How is that will determined? I think I gave the example of the argument made by the rapists' lawyers that the victim consented, that she voluntarily accepted the rape because she didn't resist. So the question is: how is that will determined? If it's determined by a knife held to the victim's neck, of course she didn't "voluntarily" resist, but by appealing to will I can explain everything, because all human action is conscious and voluntary; they are always present. The problem is that I have to explain how that consciousness, and consequently that will, is determined. If someone hits me to make me work and I don't have the strength to retaliate, I will consciously and voluntarily start working, but the question was how that will was determined. You can't separate will from action: it's a voluntary action. Why do you consciously and willingly get up and go to work?

I didn't say that the will is abstractly free; I said: it's a voluntary action, not the kind an animal performs when going about its vital activities. The question is, what

is called "involuntary" would be an action not consciously governed. But the individual doing something that requires consciousness is putting their will into what they are doing; they have the conscious intention of obtaining a certain result. Why? These determinations are the key to explaining why they are doing it. If I didn't have conscious control, I couldn't work. When the image appears that the individual has lost control of their will over the individual work they are doing, they cannot work. If I were to lose conscious control of the words I am saying, governed by my will, then what I would do is "[unintelligible babble]" and I wouldn't be able to give concrete form to my work. A reflex action would be an action devoid of will because I would respond with instinctive knowledge. If someone suddenly throws a chair at my head, I immediately raise my arm; If I were to consciously and voluntarily control that action, there wouldn't be time to protect myself. That's how I see it.

If we want to give another meaning to the will… It would be an abstractly indeterminate action, because if it were determined, then it would appear as an abstractly free action; what I freely decide to do would be voluntary, while what I decide to do because I am under some coercion would be involuntary. We fall into what we were talking about regarding the argument about anything forced. If I am mugged on the street, consciously and voluntarily I put my hand in my pocket and hand over what they ask for; I'm not going to say that it's involuntary in the abstract, because I did it voluntarily. Otherwise, I would have to think that there is a consciousness that is free by nature, indeterminate, and that there are then external determinations that coerce it. And this is what we are going to see regarding the consciousness of the commodity producer. You [Xatan] use the term “freely,” and I didn't speak of “freedom.” I spoke of a way of organizing action (of knowledge) that discharges the action. How does it discharge it? Voluntarily. It's generally understood as you say, but I don't see it that way. At this point, I don't know what freedom is, what a free individual or a free conscience is. I understand that it shocks you and that you object. The proposal is: let's keep going and see when freedom appears. Let's simply take the terms in the sense I gave them and see where that way of looking at it leads us, see if it leads us to the answer regarding freedom, the voluntary and the involuntary…

[Juan proposes a synthesis of what we have seen so far with slides, starting with the analysis of what the attribute of exchangeability puts in place].

The argument arises that the value, the exchangeability of commodities, is determined by the fact that they are the materializations of socially necessary abstract labor. And this is often repeated as if it were the explanation for the exchangeability of commodities. And so, to counter this, I leave open the question of what constitutes concrete and socially necessary abstract human labor in relation to non-commodities and their attributes. Because after discussing socially necessary abstract labor, if we consider labor that does not produce commodities, for example, the work of a friend who productively expends their body, they have to give that expenditure a specific useful form. And this abstract labor that produces commodities and the labor that does not are the same; they represent the same productive expenditure of the body. Up to this point, non-commodities have the same attributes as commodities, and labor that produces commodities is

identical to labor that produces non-commodities. And when one looks at socially necessary labor, what one finds is the same: the friend made the gnocchi for us; his work is social in the sense of "done for others," and nothing says that it couldn't have taken the normal time required in that society, and therefore he has done socially necessary labor with the two attributes that commodities have. And if we reach this point, we still don't have the answer as to why commodities have the attribute of exchangeability, because a commodity, as we've seen, is a materialization of the same abstract socially necessary labor. If there is a relationship of equality, it's clear that it has to be based on abstract socially necessary labor, but that's not enough.

I emphasize this point because in many developments within Marxist political economy and Marxism in general, what is specific to commodity-producing labor disappears. At best, they reach the concept of socially necessary labor, but what's missing is what is specific to this type of work: it is private and independent, meaning that the worker has full control over their individual labor. Their consciousness governs their individual work, consciously and voluntarily. No one can tell them what to do, and at the same time, they don't know for whom they are working, nor do they care, in the sense that they have full control over themselves, what they will produce, how they will produce it (an aspect that is not present here), how much they will produce... To have this control, they must have private ownership of their means of production, because if they share them, as we saw, they cannot have full control. And what emerges here is social labor that is performed privately and independently. And that is it: the socially necessary abstract labor performed privately and independently that gives commodities the attribute of exchangeability.

	Restaurant: commodities $10G_C = 1S_C$	Friend's house: no commodities $10G_{\neg C}$ $1S_{\neg C}$	Relative attributes
Regarding its use value: uv	uv Gc ≠ uvSc	uv $G_{\neg C}$ ≠ uv$S_{\neg C}$	uv $G_C = G_{\neg C}$ uv$S_C = S_{\neg C}$
The dual character of the action: *a* Exchange value: *ev*	$a_{uvGc} \neq a_{vuSc}$ *a* $a_{evGc} = a_{evSc}$	$a_{uvG\neg c} \neq a_{vuS\neg c}$ *a* — —	$a_{uvGc} = a_{vuG\neg c}$ $a_{uvSc} = a_{vuS\neg c}$
natural actions: *na*	$na_{uvGc} \neq na_{uvSc}$ *na* — —	$na_{uvG\neg c}$ ≠ *an*$_{uvS\neg c}$ *na* — —	$na_{uvGc} = na_{uvG\neg c}$ $na_{uvSc} = na_{uvS\neg c}$
Human labor: *l* Concrete labor: *cl* Abstract labor: *al*	$cl_{Gc} \neq cl_{Sc}$ *l* $al_{Gc} \neq al_{Sc}$	$cl_{G\neg c} \neq cl_{S\neg c}$ *l* $al_{G\neg c} \neq al_{S\neg c}$	$cl_{Gc} = cl_{G\neg c}$ $cl_{Sc} = cl_{S\neg c}$ but also $al_{Gc} = al_{G\neg c}$ $al_{S\neg c} = al_{S\neg c}$
Socially necessary abstract labor: *snal*	$cl_{Gc} \neq cl_{Sc}$ *l* $snal_{Gc} = snal_{Sc}$	$cl_{G\neg c} \neq cl_{S\neg c}$ *l* $snal_{G\neg c} = snal_{S\neg c}$	$snal_{G\neg c} = snal_{N\neg c}$ $snal_{S\neg c} = snal_{S\neg c}$
Socially necessary labor done privately and independently: *snalpi*	$cl_{Gc} \neq cl_{Sc}$ *l* $snalpi_{Gc}$ = $snalpi_{Sc}$	$cl_{G\neg c} \neq cl_{S\neg c}$ *l* — —	

Marx takes the central column (on non-commodities [¬m]*)* in the section on fetishism, where he succinctly presents two arguments: this is in this, this is in this… And so they seem to be the same. The only thing that is in one and not in the other is social labor performed privately and independently. And then he compares a series of ways of organizing labor that correspond to the absence of the commodity bond as a general social relation. Here one can make a methodological observation.

In a way, if someone were to put it pedagogically, this way of presenting it (in the diagram) makes it easier to grasp the development, but it's incomplete. It violates the method of dialectical knowledge because its analysis focuses purely and exclusively on the first column (of commodities), which is the one that has to explain why commodities are exchangeable objects. Marx presents it after he has already developed not only why commodities are exchangeable objects (because they are materializations of socially necessary abstract labor performed privately) but also why, when socially necessary abstract labor is performed privately and independently, its product has this attribute—something the analysis in no way answered. What this first step did answer is: this is what makes them exchangeable. But why is that necessary? Marx waits until he has answered that before making the parallel discussion [about what are not commodities].

Alejandro: Regarding the scheme, it's not clear to me why it would go against the methodology that has been developed so far [...].

JIC: It's essentially this: I have this thing, and I want to ask myself about the necessity of this thing. I have to look for it in this thing; I don't have to go looking for it in what this thing is not. Then, in the process of knowledge and the production of one's own consciousness, one resorts to a whole series of movements that are of logical representation and not simply of strict dialectical analysis. At least I do that; I try not to, but … I don't have a definitive answer. I am an individual trained in logical reasoning. I don't know how the process of knowledge would work in a society where logical representation didn't exist, whether one would simply take the object and ask about its necessity in order to answer it, or not.

If you compare this with the analysis done in classical and neoclassical economics, the analysis of these two constructions [those in the diagram] is based on finding the attribute that appears repeatedly. In Ricardo, this is very clearly established because he conducts the analysis without distinguishing between concrete and abstract labor; he only goes as far as human labor. And he believes that, by nature, human labor produces exchangeable objects (this idea came from Smith), and he doesn't question why there are use values that are not exchanged. But when he gets to [Human Labor → Restaurant: commodities], what he's looking at is that this issue before him has something to do with how labor is organized. For him, it's a natural way of organizing labor, but it's related to the allocation of labor in society to different individuals. When he looks a little deeper, he sees (as he did in Smith) that it's full of antagonistic relationships, conflicting interests; this

is a war of all against all, there are public enemies (some more public than others), and he considers this natural.

What does neoclassical economics do? It's often presented as a reaction against Marx's work. And neoclassical economists and the founders of neoclassical economics most likely didn't even know that someone named "Marx" existed. They're appalled by what appears here (that antagonistic relationships emerge when one examines labor) and what they do is stop here [*vu,* 1st column], and say: these are use values, they are useful, and therefore they are exchangeable. They add that they are "scarce" (which is the absence of productive activity as the cause of exchangeability, in contrast to Ricardo, who saw labor as the cause), they erase productive activity because there is scarcity, it's insufficient, and they stop at that point in the analysis. And never, neither Smith nor Ricardo nor neoclassical economics, look at the second column [¬m]: for them, this is natural and it is the whole picture. It is an analysis (in Ricardo it is presented quite crudely) that will appear saying: “These are the principles of political economy:”, and they are statements: “Use value is a condition for exchange value to exist, but it has nothing to do with the determination of exchange value. Exchange value in exceptional cases depends on scarcity (a “scarcity” different from that of neoclassical economics), it is the norm, it is because they are products of labor.” There is no question regarding what the need is; it is an analysis of a different nature.

[…] Up to this point, I can only explain the exchangeability of commodities because both contain the same quantity. There is no other option but to continue to see if we can arrive at an explanation for why commodities that might not have the same material form of SNALdPaI nevertheless appear to have a relationship of equality. Up to this point, this is completely inexplicable. […] Marx reaches a point in his development, sends a draft to Engels, and Engels replies: get ready because they're going to jump down your throat, because you're saying that commodities are exchanged in proportion to the quantities of labor they embody, and "everyone knows" that commodities are not exchanged in proportion to quantities of labor. Why does Engels say "everyone knows…"? Because that's what Smith and Ricardo said. And faced with this argument, Marx's response is: if I wanted to answer these objections, I would have to destroy the dialectical method. Because I would have to start addressing determinations that, up to this point, have not yet been developed or unfolded. And Marx makes an ironic comment: the dialectical method has the advantage (not a defect) of setting traps. And in the text, he puts the corresponding answer in other terms: it would be necessary to develop this, this, and this, and if one doesn't know what that is, one doesn't understand why the commodities of the capitalist mode of production are not exchanged in proportion to the quantities of labor. This observation is found more or less in the first half of Volume 1. The answer isn't in the second half of Volume 1, nor in Volume 2; it appears approximately from Chapter V of Volume 3 onward.

3. The form of value or exchange value

In the next step, Marx will argue: up to this point, we have established that this attribute of exchangeability of commodities is social, that commodities have a natural form (use-value) as a physical entity, and the form of value: they are values. Continuing the analysis of commodities, what emerges is this: no matter how much we examine a commodity in isolation, we cannot find its value-condition within it; all we see is its natural form. Therefore, we must examine how the commodity *expresses* its value-condition. And the expression of the value-condition is exchange-value. That which we had previously disregarded (the exchange-relationship), we now have no choice but to return to exchange-value, which is the expression of value. And what emerges is that we return to the relationship of equality between two commodities.

A. SIMPLE, SINGULAR OR CONTINGENT FORM OF VALUE[17]

***x* commodity A = *y* commodity B, or: *x* commodity A is worth *y* commodity B.**

(20 yards of linen = 1 coat, or: 20 yards of linen are worth 1 coat)[18]

1. *The two poles of the expression of value: relative form of value and equivalent form.*

What is the simplest form of value? A commodity placed in an exchange relationship with another commodity whose use-value is different, but whose values are equal. But value is not revealed in this relationship by its substance (quantities of labor), just as when I look at the isolated commodity I don't see quantities of labor, only its physical form (use-value). When I want to express the value materialized in the commodity, I find that what expresses the value of one commodity are quantities of the physical form of another commodity. I have, for example[19]: 10 *Ñ* = 1 *Z.* This is the immediate reading of the expression of value. Nowhere do quantities of labor appear: value can never be expressed in its substance, only relatively in quantities of the use-value of another commodity. Marx won't make this explicit there, but this opens a second question [20]: why, if value is quantities of labor, can it not be expressed in quantities of labor but only in the form of exchange-value, in quantities of another use-value?

2. *The relative form of value.*

a) Content of the relative form of value

Marx clarifies: the expression of a commodity's value always takes the form of a quantitative relationship; the value of a quantity of use-values is always expressed in a quantity of the body of another commodity. In this relationship, the 10 *Ñ* are

[17]Title in the 3rd and 4th editions of *Capital* (indicated in a footnote to the Siglo XXI edition).

[18]Marx, K., *Capital* (1977:15), Volume 1. Mexico City: FCE.

[19]10 plates of gnocchi = 1 pair of shoes. Marx expresses it in lengths of linen and frock coats.

[20]The first was why, when socially necessary abstract labor is done privately and independently, its materialization is represented as the value of commodities.

expressing *their* value. I don't know the value of a pair of shoes; this relationship doesn't tell me. So, what I have are two poles that fulfill different roles: one enters the exchange relationship to express its value, but it can only express it in the use-value of another commodity, and the other commodity doesn't express its own value; what it does is provide its body so that the first can express its value. Marx then proposes that it functions as the value equivalent of the 10 Ñ (relative pole). If I wanted to know the value of 1 *Z,* I would reverse the relationship: then I know the value of the pair of shoes, but I don't know the value of 10 *Ñ.* Therefore, in the commodity that functions as the equivalent, no magnitude of value is manifested in itself. It serves to express the magnitude of the other's value, but it cannot express the magnitude of its own value because then it would have to have: 1 $Z = x$ hours of labor. And the value of commodities is never expressed in quantities of labor. Up to this point, we only know that they are exchanged because there is the same amount of SNALdPaI. Is it a lot? Is it a little? We cannot say (whether it is 10 hours, 5 hours...).

Now we will encounter a new problem, which in a way takes us away from this discovery of qualities and leads us to the problem of the quantitative determination of the value of commodities. We already know that we cannot measure them in terms of quantities of labor, but we do know that the value of a unit of commodity is directly proportional to the amount of labor expended, but inversely proportional to the productivity of that labor. When we face the quantitative expression of value [in the exchange ratio], this will create a problem for us.

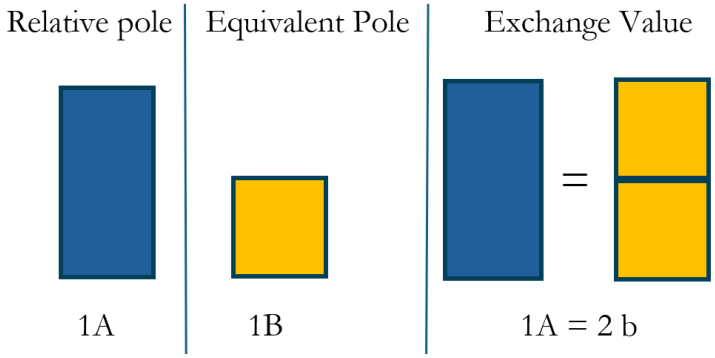
One last observation I should have made earlier: "10 $VL = 1\ L$" is read as "10 yards of linen are worth 1 frock coat," not "10 frock coats are worth *the value* of 1 frock coat." An example (a very crude one, and with the added problem that restaurant menus aren't expressed in shoes): when you read a menu, on the left you have use-values, and on the right the expression of the value of those different use-values in quantities of something. And when you read it, you don't say: this on the left is worth the value of what's on the right.

At this point, Marx says: this is the same thing that the analysis of commodity value told us. But now the commodity itself is telling us this in its very movement. It is telling us that the labor embodied in the commodity, abstracted from its concrete form as human labor, is what determines the value of this commodity, and that by entering into the exchange relation with the frock coat, it is saying that it shares this condition with it. Now the commodities say it "in their language [21]," they express this potentiality they possess when entering into an exchange relation with the other commodity. But it is not an abstract expression of value: it is quantitatively determined. Here begins the problem of how the value of one commodity is expressed in quantities of the body of another, particularly depending on what happens with the productivity of labor.

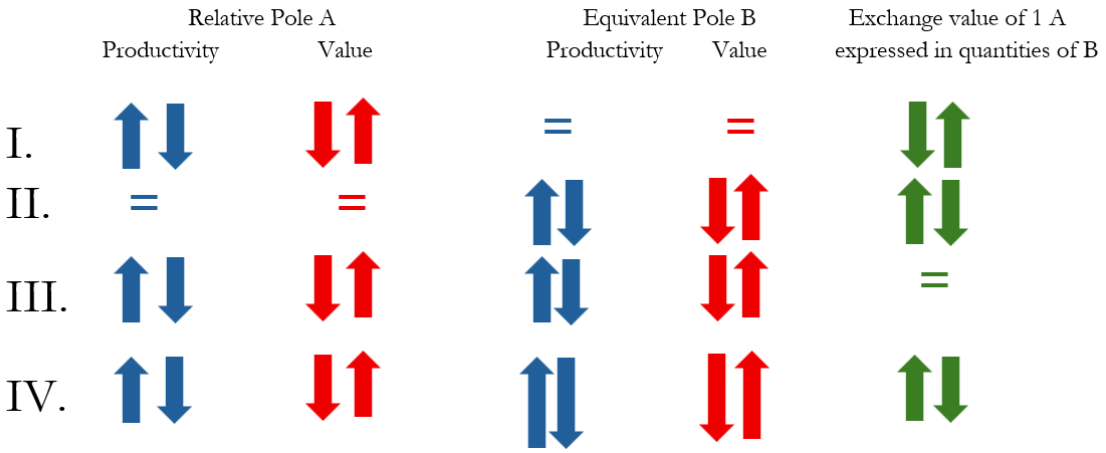
[21]Marx, K., *Capital* (1977:19), Volume 1. Mexico City: FCE.: "What happens is that the canvas expresses its ideas in its own peculiar language, in the language proper to a commodity."

b) Quantitative determinability of the relative form of the value

I'm going to take it here with commodity *A* and commodity *B,* where I won't specify the amount of labor embodied in each—to emphasize that one doesn't know—but I will specify the relative quantity of one with respect to the other. I have *A* at the relative pole and *B* at the equivalent pole. *A* is the product of twice the amount of labor as B. Therefore **1** *A* = **2** *B.*



This is the starting point. What happens when labor productivity changes?[22]



I. The first movement we will see in labor productivity is that the productivity of the labor that produces *A doubles,* so each unit of *A* embodies half the labor it did before and commodity *B* remains the same, therefore **1** *A* **= 1** *B.* The value of the commodity changes and is immediately expressed as a change in exchange value and is also expressed in the same direction.

II. Now an inverse situation arises: nothing changed with the productivity of the labor that produces *A,* but the productivity of the labor that produces *B doubled.* Therefore, the value of *B* was halved: **1** *A* **= 4** *B.* And now I look at the expression for *A,* knowing that its value did not change, but the exchange value doubled because each unit of *B* contains half the value it once did; now I need **4** *B* to express **1** *A.* If only the productivity of the labor that produces *A decreased,* the opposite

[22]Below, I have marked the cases with "I", "II", "III", and "IV" as they appear in Marx's text. I have also included them in the JIC slide.

would occur: the value of *A would rise,* and I would need more units of *B,* even though each unit would be worth the same.

III. If the productivity of the labor that produces *A* and that produces *B* are doubled, the value of the commodities changes, but their expression as exchange value remains the same as at the beginning: **1** *A* **= 2** *B.* One observation: value *alone* does not change, it does not have its own movement, it *always* changes because the productivity of the labor that produces the commodity has changed [...].

IV. The last example is given to show how a movement in the value of a commodity can manifest itself in a direction contrary to that of exchange value. The productivity of the labor that produces *A increases* (let's say it doubles), its value falls by half, but the productivity of the labor that produces *B increases proportionally more* (it quadruples), and its value falls more sharply (to one-quarter). The value of *A has fallen,* but the expression of the value of *A* in quantities of *B* has risen because the value of *B* has fallen more. Thus, we have a movement of *B*— a decrease in value—that manifests itself as a movement of an increase in the expression of value. And the same is true in reverse: if the productivity of both falls, etc., the exchange value falls even though the value of *A has increased.*

Two observations:

1) When I look at the result, I see the same movement in the exchange value in three of the cases; the results are identical. If I don't examine what happened to labor productivity in each case, I can't determine the nature of the movement.

2) If I have a general movement in which there is no increase in the *total amount* of labor performed by society (it always performs the same amount), and, let's suppose, *A* and *B* are the only commodities available, and labor productivity grows in parallel with the production of *A* and *B,* then the unit value of *A* will always remain the same (case **III**). But since the quantity produced of *A* and *B increased*, if I multiply the unit exchange value by the quantity of units produced, I get it *appears* that the mass of value increased, but it did not change.

For example: I had **10** *A* and **10** *B* as a total product of society, and the productivity of the labor that produces *A* and *B has multiplied,* with the same amount of labor I now have **20** *A* and **20** *B.* If I'm going to evaluate this society's production in quantities of *B,* it will appear that the total value has increased, because each unit value is the same; each unit of *A* is still worth **1** *B,* but I have twice the number of units of *A.* But the total value has remained the same. And this is a problem one encounters when analyzing statistics that are expressed in quantities of a commodity that functions as an equivalent.

One can be misled into thinking that the mass of value produced by a society is growing, but all that is actually happening is that, in the commodity used as an equivalent and in all other commodities, labor productivity is increasing in parallel. Therefore, each unit of the equivalent commodity contains less value, as do the other commodities; and since there is a greater quantity of the other commodities, it appears to me that there is a larger mass of value. This plays a central role when

analyzing the evolution of commodity value: the capacity of the commodity at the pole of the equivalent to express value, what happens to its own value, and what happens to the total mass of value produced. If there is the same total amount of labor, there is always the same total amount of value (socially necessary abstract labor). If it is distributed because labor productivity is higher across a larger number of units, each unit contains a smaller piece of value [and vice versa].

I take this opportunity to clarify this point [...]. Up to this point, [value] is the amount of labor expended in producing the commodity. This comes from classical economics, it's present in Smith, and Ricardo clarifies it: the amount of labor expended to produce the commodity is not only direct labor, but also, as a determining factor in the commodity's value, the value of the means of production used to produce it: living or immediate labor and dead labor. As Marx progresses, he dispenses with this clarification except when he no longer focuses solely on the production of commodities by capital: then he also examines what happens to the value of the means of production.

Sometimes, waiting so long can lead to confusion, which is why I raise this point earlier. But to raise it, one must already have answered why, when labor performed privately and independently, being a material expenditure of human labor power, is nevertheless represented as a purely social attribute of its product, which is the value of the commodity. When one confronts this question of dead labor being materialized in the means of production, provided it has been social labor performed privately and independently, why must it appear in the value of the product made with it? But if one does not have the answer to the question we are posing [why this labor gives the commodity the attribute of exchangeability], the answer becomes an abstract assertion. And in fact, Ricardo presents it this way; in his title, he begins by stating that he will lay out the principles of political economy and taxation, and he announces them: 1) use-value; 2) exchange-value; 3) labor applied to the production of the means of production and labor applied directly to the production of the commodity.

[Necessity, determination, and the question of "determinism"].

To address this, since it's not a matter of stating principles, let's consider ourselves as the objects of the question. And if we look at ourselves, the first thing we'll see is that we are an actual existence. This existence has a concrete form, but at the same time, it carries within it a multiplicity of potentialities to be realized, potentialities that arise from, that are inherent in, its actual existence. These potentialities are the concrete condition of actual existence and, therefore, of what one is. So, when I say "necessity," it's because what *one is* carries within it this multiplicity of potentialities to be realized, and this is its necessity; it is *determined* as the bearer of these potentialities.

Often, what emerges when we consider a potentiality to be realized is the *image* of a simple potentiality, one that has immediate realization and does not exist in the form of possibility. It has only one way of being realized, and it is not carried alongside opposing potentialities. Consequently, if we look at it strictly, it doesn't even have a temporal dimension because, being simple, it is realized immediately upon itself. Now, I could take this as an expression of simple potentiality but abstracted from its form of realization: we need to breathe. If we were to stop breathing, we would cease to reproduce ourselves as the actual existence that carries these potentialities. We would become an actual existence whose potentiality is to begin to rot, to decompose, because it would be a body that no longer has the potential to reproduce itself; it would cease to be a living existence. We have the simple necessity to breathe. This potentiality to breathe does not exist simultaneously with an equally potent potentiality not to breathe. We can hold our breath for a brief period, but to affirm ourselves in the realization of our actual existence, we need to breathe.

What other form does necessity take? One possesses potentialities that, when realized, are contradictory: I cannot breathe and not breathe at the same time. I have the temporary potentiality not to breathe, but I cannot realize both simultaneously. The fact that I will realize my actual existence by realizing my potentialities—I can realize one or I can realize the other—means that the realization of these two potentialities cannot exist in the same concrete form. At each moment of my existence, this potentiality exists in the form of possibility. Hegel refers to this: it is a necessity that is simultaneously not a necessity. And the general form of the potentialities of all forms of existence (and of the living subject in particular), the form in which one carries one's determinations, one's necessity, is in the form of possibility: they are potentialities that can be realized in one form or another.

When I say that something is *determined,* I mean that the actual existence that carries that potential to be realized, when that existence reaches its end, realizes that potential, takes the concrete form that corresponds to that potential as realized. Determination is not an external relation between two things; it is an actual existence that realizes its potentialities (reaches its end) and takes a new concrete form, which has been determined by the previous actual existence. That form is an actual existence that is the form in which the previous existence has transcended itself and taken on this new form. In the case of living subjects, the

peculiarity is that when we reach our end and realize our potentialities, we determine ourselves as a new concrete form; we reproduce ourselves. The moment we can no longer realize our potentialities with this attribute is when our life ends, and we become matter that has ceased to be a subject and has become a corpse that is the object of the life process of other life forms, but not of ourselves.

I want to emphasize that determination is not an external relation. It's not that *A* determines *B* and that they exist independently of each other or have a mechanical relationship. When I say that one actual existence *determines* another, it means that it has realized its potentialities, and its potentialities were to take the form of the other. When one looks at the movement of the realization of potentialities, as it unfolds, it can take a simple form in realization (then it unfolds), or it can take the form of possibility. The very process of realization contains contradictory potentialities as realized. They are all forms of realizing the potentiality with which we are starting, but in their movement of realization, they are contradictory. Not only does necessity exist in the form of possibility, but the realization of necessity itself has the form of possibility.

If I ask myself about knowledge (the way of organizing action) [23], if I look at it as a subject, what I'm saying is that knowledge is the way of governing the unfolding of potentialities. These potentialities exist in the process of human life in general in the concrete form of necessities, which are simultaneously the negation of necessity (possibilities): I am fully aware of the potentialities of my action in the form in which those potentialities exist before I perform the action. Which means that when I initiate the action whose realization will be mediated by possibility, there's no guarantee that the objective I aimed for is actually assured. When we look at the producer of commodities, we see that what they need to do is produce value, and that they will put all their consciousness and will into it even though they aren't guaranteed to produce it. They would only have it "guaranteed" if the production of value were a simple necessity, if the expenditure of labor power simply took the form of value.

Determinism is the belief that necessity only exists in the form of simple necessity, and that once I know it, I already know how it will be fulfilled, and it cannot be fulfilled in any other way. But we are not talking about that here. We are talking about a whole range of possibilities, and we are not talking about simple necessity. When we look at the expression of value, we see that if the value of a commodity changes, the exchange value of that commodity changes, but the value may not change, and the exchange value may change, and the value of the commodity and the value of its equivalent may change, and the exchange value may not change. We are going to have to confront the simple determinism that changes in labor productivity will produce changes in the value of commodities, but the manifestation of those changes exists in the form of possibility.

[23] **JIC:** To clarify: this also happens to objects that are not living subjects [not in terms of governing their actions, but in terms of having powers to realize and being the product of powers, etc.].

This is often framed in terms of freedom versus determinism, but they are not on the same ground. Freedom would be a way of governing action, while determinism is a conception of how action is governed. When this is invoked, it is by subjects who are terrified of determination, who delude themselves with a freedom that they assume consists of the absence of determination. And if one, as a subject, were not subject to determinations, firstly, one would not exist. But if we were to abstract from a subject who was not subject to determinations, to potentialities, who did not have necessities that arise from what is, from their being, and that will manifest themselves in their actions… if they are not determined in a way that is sufficiently effective to appropriate the environment, they could never act as a subject. And if that environment is not determined by the potentialities it has to realize in such a way that the subject can become the concrete form of realizing the object's potentialities, then the subject could not act upon that object. The appearance of a lack of determination, which has come to occupy a substantial place in scientific consciousness within the capitalist mode of production in general, and currently in an absolute sense, is the negation of the capacity to organize one's own actions, of the condition of being a subject, under the guise of being the subject's fullness, because it has nothing that determines it (that does not exist). What this actually reveals is that it is incapable of recognizing itself in its determinations, that it refuses to recognize itself. The question is why it needs to deny its own subjectivity.

The simplest definition of a human being is that they are a form of matter. Matter is this actual existence that carries within it the necessity to reach its end by realizing its potential. The difference between *living matter* and non-living matter is that living matter, when it reaches its end and affirms itself by realizing its potential, has reproduced itself. Inert matter, when it reaches its end, ceases to be what it was; it does not reproduce itself. I am constantly reaching my end and reproducing myself. A stone has potentials to realize: if rain falls on it or the wind moves it, etc., it turns into sand and ceases to be a stone; it has reached its end and become something else. The living subject, when it reaches its absolute end as a living subject, ceases to be a living subject; the potentials it realized are no longer those that reproduce it.

Possibility is a form of necessity. One can distinguish between simple necessity, which is immediate, and necessity, which exists in the form of possibility. These are potentialities that can all exist as potentialities in the same actual existence, but they cannot all exist as realized in the same actual existence. Potentiality is a necessity that is not realized and that one carries within one's actual existence. Possibility is the forms that these potentialities can take. There are many materialists who are mechanistic, and for the mechanist, what may appear is that all necessity is simple, all potentiality is a simple potentiality, and it is an external relation. There are two figures that I mention in my book that symbolize this deterministic conception:

1) Laplace's demon: everything is determined in the form of simple necessities; nothing exists in the form of possibility. The problem of knowledge is not that it is known because it exists in the form of possibility, but rather that there is a problem of insufficient knowledge. If knowledge

were complete, like that of Laplace's demon, everything would be immediately realized as a simple potentiality. What I propose is the opposite: these potentialities exist in the form of possibility, and one can only know them in this way; one cannot know them as realized because one cannot confront them as realized. One knows them fully, objectively, as what they are at the moment of knowing them. That is why it is possible that one might aim to realize one of the potentialities one possesses, and what is realized is a potentiality very different from the one intended.

2) Einstein famously said, “God does not play dice,” which is also the negation of possibility. What is the purest example of determinism as the simplest possibility? Dice.

I don't want to go into more detail about the method, because these are part of the foundations of logical representation, but let's leave them for later.

[JIC is asked about the previous developments or authors he draws upon] Consciousness, or conscious knowledge, was the human way of governing action. We're talking about social and individual labor. When one activates their consciousness (which they do all the time), they are organizing a productive expenditure of their individual body. But we also saw that this expenditure can be aimed at producing a use value for others: this is social labor. Since consciousness is the way in which each person governs their own activity as an organ of the social life process, no one can produce consciousness for another individual; what they can do is operate on the process of producing that other person's consciousness. Our consciousness is produced by each of us, but at the same time, it is a product of social labor. The "previous developments" are an expression of the product of social labor. It's very difficult for one to say: well, I'm going to cut back on this or that. Because, in turn, those who produced the product that one appropriated—we have a specific author whose consciousness is the product of prior social labor and of their individual work—but the product of prior social labor was itself the product of prior social labor. If one frames it this way, it seems as if one has to cut things out here and there, but what one is actually doing is appropriating a multitude of products of prior social labor. Later, we will see Marx's argument regarding scientific knowledge in relation to this.

I don't know if it's fundamentally relevant. I would have to say that *Capital, The Science of Logic,* Lenin's *Philosophical Notebooks,* Athanase Joja (who isn't so well-known)... I would have to name many others who have operated in my process of consciousness-making, precisely by rejecting it and saying: this isn't it. So I don't know if it makes sense to ask which authors one can most immediately recognize as antecedents to what one is proposing. I would have to put it this way: it is from working with the works of these authors that I came to confront these aspects as I am presenting them. [...] This approach, *in my own terms,* is developed in *Capital: Historical Reason, Revolutionary Subject and Consciousness*[24], if I remember correctly in chapter 7. It may also appear in some different aspects in an earlier book on dialectical knowledge [he doesn't remember the title well, it's long].

[24] https://cicpint.org/es/inigo-carrera-juan-2003-el-capital-razon-historica-sujeto-revolucionario-y-conciencia-imago-mundi/

[**Examples] from the Chile workshop, session 1** [25]]

[…] We have the simple necessity to die as human beings, not mediated by the possibility of not dying; there is no such possibility of not dying. In what form is this possibility realized? The fulfillment of the simple necessity to die takes the form of fulfilling the opposite necessity, the opposite possibility, which is to continue being alive. Since I want to continue living, how do I organize my conscious and voluntary action to reproduce myself as a living being? I'll use this absurd but understandable image: I watch cartoons, and someone worries about a piano falling on them in the street, as happens in the show, and I say that this is a possibility that is not merely fantastical. In Buenos Aires, it has happened that a balcony collapsed, fell on someone's head, and killed them. So, I'm walking down the street looking up so that something doesn't fall on my head, and I turn the corner and a car hits me and kills me. So I look and say: the possibility of something falling on my head is quantitatively very unlikely, compared to being run over, which is much more probable. So I'm going to look to the side where the cars are coming as I cross. So I look, I cross, and a car comes at me from the wrong direction and kills me. I acted consciously and voluntarily with the aim of preserving my life. I knew the potentialities that seemed worth trying to control, and there was one that I couldn't control.

There's another aspect that I think is very important to consider here. […] As you get older, the likelihood of having a stroke increases. A hundred years ago, this was simply a matter of dying: there was no possibility of continuing to live. Today, it exists as a possibility, but only someone with a particular kind of awareness—a specific scientific awareness—can address it. And that's who you would have to call if you lacked that scientific awareness.

[**We resume the workshop]**

So, I would tell them: please call an ambulance as quickly as possible because they are bringing individuals who know, consciously and voluntarily, how to act upon this object, which is the individual who had the stroke. How does human action advance by developing its capacity to act upon the environment and upon itself? If one had a simple, absolute necessity, it would be fulfilled, and there would be no way to act upon it. But the general, universal, concrete form of necessity is possibility. What happens is that there are necessities that have an absolutely dominant adverse possibility and a small possibility of acting upon them. What does a human being do? They transform what seemed like a simple necessity into a possibility. For example, the possibility of surviving smallpox was extremely low. Then, Edward Jenner observed that in individuals who milked cows, the possibility of survival was high. What does he do with the development of the vaccine? He transforms what was a practically simple necessity not only into a possibility, but smallpox disappears (a doubtful thing, because the virus will continue to circulate somewhere), or it becomes a simple necessity in the opposite sense. Human beings transform these simple necessities into more or less feasible ones. In this

[25]My addition. Transcribed from https://www.youtube.com/watch?v=R1WllwvMJas .

development, there are dominant necessities or possibilities that one can only overturn with objective, scientific knowledge.

And one might ask: if attending to a relatively simple organic process in an individual suffering a stroke can only be done by individuals with specific scientific knowledge, why transform the organization of the human social metabolic process (much more complex because it is the organization of individual metabolic processes, of which stroke is a concrete form)? Why could this transformation be carried out with a consciousness that lacks the character of an objective, scientific consciousness? And often this is presented as the denial of the necessity for objective consciousness; it is even presented as the condition for overcoming the capitalist mode of production. Some arguments suggest that it is better not to know, because knowledge stems from being, and what matters is doing. Now, the actions of an individual who lacks determination, or who is abstracted from their determinations, are considered to have no being.

A simple example is the six-sided die: there is a material determination in the body of that die: it is homogeneous. If I throw it into the air over a sufficiently wide surface, it has the simple necessity of landing on that flat surface, but it also has the possibility of which face it will land on. In the air, it will pass through positions where it has an equal probability of landing on one face or the other. The realization of the possibility of landing on one of the six faces takes the form, in its development, of the constant renewal of that possibility. How do I act if I want to govern that possibility? I load [26]the die, I distribute its body asymmetrically, and then it will land more often on the face I want. Thus, I again have the expression of a simple necessity that, in turn, takes the form of a possibility.

Engels: Freedom is necessity that is known. If I know my constraints *to the extent possible* (which are potentialities that exist within the realm of possibility and that my conscious and voluntary action can realize in a certain direction), what I will do is aim in that direction. If I say that I have no constraints, and I don't know them, my action will be blind, and I won't know where it will lead. If I dwell on the apparent necessity of an action, I may believe I am doing one thing when in reality I am doing something completely different. On the other hand, if I know my constraints, the more I know them, the more I will be aiming to realize the possibility I want to realize, which doesn't preclude the possibility that this set of constraints might lead my action in another direction. That's why freedom and necessity are so important.

3. *The equivalent form.*

Let's return to the question of why a commodity has value and why the SNALdPaI produces this social attribute. It was shown that it produces this attribute in the exchange relation, where it is expressed. In this expression, we find that value is never expressed in quantities of labor, but in quantities of the body of another commodity, the roles of relative/equivalent, etc. […] Now we will continue to ask what role each of these commodities plays. But first, I want to ask a question.

[26]"Cargar" is to rig.

The private labor performed by each commodity producer is determined either as a part of social labor or as socially useless labor at the very moment it is performed. At the moment of its production, the commodity either embodies value (has the capacity to be exchanged) or it does not; its labor has been performed in a concrete form that is not socially useful and therefore has no value. The problem we face so far is that this is not evident when looking at the commodity itself—whether it has value or not—it is only seen in the exchange relation. What will happen to the commodity at the relative pole of the expression? It will only express that it has value when it is related to the equivalent. But the commodity that proves it is a product of social labor is the one expressing its value. And how can it express it? Because it equates itself with the equivalent. Consequently, in this exchange relation, the commodity at the pole of the equivalent acts as the expression of value, and therefore, as the expression of being the bearer of, the materialization of, socially useful labor. While the commodity that enters to express its value in the exchange relationship has to demonstrate that it has value, the one that is at the pole of the equivalent, in this expression, is demonstrating that it is directly exchangeable with the other commodity, that it has value.

Gnocchi and shoes: *Ñ* has to enter into the exchange relationship to express its value. *Z,* which acts as an equivalent, does not enter into that relationship to prove that it has value, but as an expression of value, as the possibility of being immediately exchanged for the other commodity. If it had no value, it could not have entered into that relationship. […] One does not read the expression of value as "it is worth the value of…" (expression of a magnitude of value), but "1 frock coat is worth 10 yards of linen": quantities of an object, of a different use-value. If we look at the commodity that acts as an equivalent, it could not express the magnitude of its own value. Here appeared the development of a contradiction that we had seen was inherent to the commodity: it was use-value and value. Now we find that the use-value of a commodity is the way in which the value of another commodity is expressed; it can only be expressed in quantities of a different use-value. No commodity can act as its own equivalent. If I say "10 yards of linen = 10 yards of linen" I have no expression of its value.

[Answer to Xatan's question about the bidirectionality of the simple value relation] In this relation, I have one commodity that expresses its value and another that is its equivalent. I know the value of 1 frock coat: 10 yards of linen. If I want to know the value of 10 yards of linen, I have to reverse the expression: 10 yards of linen are worth 1 frock coat. This *simple form* of value is now telling me the value of 10 yards of linen, but I don't know the value of 1 frock coat. In each case, it's inverted; it's a different expression. The problem is that there is an equality; they have the same attribute, but when they enter the relation, one pole expresses one thing and the other something different. And these roles are not interchangeable *within the same relation:* I lost the expression of the value of one commodity and now I have the expression of the other.

[…] Let's return to the restaurant menu example. What I read is the price of the items on the left; it doesn't tell me the price of the items on the right (I should clarify that this requires a development of ways of expressing value that we

haven't yet covered). I understand that the menu tells me the value of what's on the left and how much of what's on the right I need to pay. If I go to the shoe store, it's the other way around: I have a "menu" of shoes, and on the right, quantities of something that express its value. The equality is symmetrical, but the expression is asymmetrical. And what follows are further manifestations of this asymmetry.

If you look at the equivalent, what you see is a material body expressing a social attribute. There is no manifest social relation in this, and it seems that by nature this material body has this capacity to express value. And a first development will emerge from the development of the expression of value, from the consciousness of commodity producers, because it will appear as a natural attribute of the equivalent, as a capacity to represent a social bond. This is where Marx will reformulate that for an exchange relation to exist, there must be a common attribute. This expression will mean that the properties of an object do not arise from its relation to another object; what happens with this relation is that *it reveals* that it possessed a certain attribute. Faced with the appearance that the equivalent has the natural property of expressing value, Marx will refer to the mysterious character of the equivalent form, which the economist will only confront when it appears materialized in money.

It's a material thing that, when you look at it, seems to inherently possess the attribute of expressing a social relationship, of making itself manifest. This is what it will present as a possibility. The economist realizes he's trapped by this possibility when the equivalent takes the form of money, because there the social attribute of a material thing (I'm jumping ahead here) is fully developed, a thing that is *socially recognized* as having that social attribute, so it seems to have that capacity to express value by nature. But this perspective isn't a fantasy: it's not that the economist looked at something that doesn't actually exist, something invented: his problem is that he stopped to look at that something and didn't ask himself about what we've been discussing. So, when he had to answer the question about the social attribute that this something has, he said: it comes from nature. He didn't ask himself what content the exchange relationship contains and why it can only be expressed in the exchange relationship.

Classical economists don't consider the private nature of labor. Therefore, they can't explain the different roles of commodities based on their position in the economic order. So, when they arrive at the concept of money (a leap, but I'll put it in Adam Smith's terms), the question arises: if value is quantities of labor, isn't it expressed in quantities of labor? Smith says: because one isn't *accustomed* to exchanging things for quantities of labor, but for other things. But in reality, one doesn't exchange things for other things either: one exchanges things for money. Why then is value, being quantities of labor, expressed with money? Because it's "easier and more natural." This is the expression of having reached the fetish of money. Up to this point, Smith doesn't question the role each commodity plays according to its position; he doesn't analyze or unfold the form of value: he jumps from simple expression to money. The classic example states: in the "crude and primitive state of society," if hunting a deer takes half the work of hunting a beaver, it's natural that one deer is exchanged for two beavers. And he never asks whether the deer and the beaver in that expression of exchange play different roles. And he

jumps to money: it seems more natural to us to exchange commodities for money, therefore money has the natural capacity to represent value. And Marx is going to say that they can't explain it.

Exchangeability only appears if work is performed privately and independently. In this development, as it flows from the analysis of labor as a producer of use values, and as the diversity of use values and the division of labor emerge, what will be argued is that in this specific form we are seeing, where the social division of labor is embodied in the separation of social labor into private and independent jobs, it is the intertwining of these private and independent jobs that constitutes the entire process of social life. Private and independent labor is intertwined with those who purchase it and those who purchase it, and this extends until we are confronted with the unity of the process of social metabolism, where each individual organ operates as a private organ, separate from the others.

Much later, a discussion will emerge regarding how the movement of social production and consumption manifests itself in the capitalist mode of production, and why, despite being a unity (in any process of human metabolism, the social character constitutes the unity of that process), when one observes it, it appears to spring from individual processes. It appears in the immediate present as if it did not contain that unity, but rather seems to spring from the movement of things that are in themselves pure unity and that, outwardly, relate to other units, each of which is also pure unity. When one encounters the commodity producer, one does not initially see him as an individual organ of the social life process but as an isolated individual, and from his isolated movement, the general unity seems to spring forth.

[Question about the form of equivalent and its “mysterious character”] [...] It seems that there is a use-value that has the capacity to reveal that something else is a social use-value, that the commodity at the pole of the equivalent has value. That is why it has a mysterious character: because it is a thing, it is not that *someone* says that it is a social use-value, the one who proves it is not a person, it is a thing. How can a thing say what is useful or useless? If I look at it with my ordinary conscience, what I will see is this: there is something in that relationship that has the power to be exchangeable in a world of things that are not exchangeable.

[Ignacio asks him what he means by “vulgar consciousness”] It is general consciousness, as opposed to scientific consciousness. It is a “practical” consciousness. Marx will use the term a lot, especially as “vulgar economics” = unscientific. It is what the owner or producer of commodities sees, what their consciousness presents to them: the practical movement of their social relation. They look and see this relation of equality, that there is one thing that has the attribute of saying that another materially distinct thing contains that attribute of exchangeability (those other two determinations are missing). In Volume 3, when one reads it, there is a constant, more or less explicit, counterpoint between two courses of thought that have been followed:

1) Scientific consciousness: As we have already seen what the content of value is, why it has this form, we see that because of this movement, this determination it has here, it appears erased. But we already know what it contains. The difference in content that was here has been eliminated, but it is still there even though it appears erased. If one approaches it from the opposite perspective and does not begin with the simplest specific determination but with the immediate manifestation, and begins to ask about its content, for example, with the problem of income distribution, and stops when I see that this distribution consists of profits and wages and I have nothing more to ask… I, coming from the simplest determination and returning to the concrete, know that profit and wages are not explained by profit and wages themselves, that they have a content that is the complete opposite of what appears. Therefore, I can explain why income distribution appears with the immediacy of the form of the confrontation between profit and wages.

2) Common consciousness: Someone who approaches this from the opposite perspective and focuses on this point will think that profit is explained by the monopoly power held by certain capitalists, and wages by the combative spirit of the working class. We are both looking at the same thing, only one has been unfolding the content until reaching its necessary concrete forms, while the other started with the necessary concrete forms (this is not a fantasy). And when the latter reaches that point, having not progressed beyond that very manifestation, if they stop at that manifestation, as Marx says, "everything appears inverted," as in competition. This is what common consciousness is: it arrives where everything is inverted and says, "this is how it is."

Scientific consciousness has performed all the analysis to arrive at the simplest specific form, and now it unfolds the necessity of that simplest determination under increasingly developed concrete forms, and can account for what is inside the phenomenon it is observing. So that is the difference between scientific and common consciousness, which is the immediate awareness of what the immediate movement shows. It is not a fantasy about what is in front of us; what is in front of us is seen in this form, but its content is unknown.

[They ask if this “vulgar consciousness” is what certain sectors of Marxism called “false consciousness”] Let’s not get into the “sectors of Marxism,” let’s just call it “vulgar consciousness.” Marx is going to make a distinction at the end of this chapter on *political economy* (his book is called A Contribution to the *Critique* of Political Economy). There are two forms of this:

1) Classical political economy, which is still trying to explain what it faces but will inevitably clash with the constraints it carries and will discover the content but will never be able to explain the form, can understand the first two sections without reaching a deep analysis of what is specific to commodity-producing labor. But it says: labor is what is at stake here. What cannot be explained is that, since value is quantities of labor, it is not expressed in quantities of labor.

2) Vulgar economics contrasts with the former, stating that it "pulvers" the more complex phenomena into mush and serves the ideological consumption of the bourgeoisie, who no longer question the content. On the contrary, they try to *conceal* the content and focus instead on the immediate appearance.

If we look at the analysis we've been developing in the diagram regarding the determination of commodity value, classical economics only went as far as labor. And Marx points out that they realized this labor already has this dual character (he quotes Franklin), of concrete labor and human labor in general. He's acknowledging that they managed to analyze this, even though they couldn't discover this difference between abstract and concrete labor. What does neoclassical economics do? It has to *conceal* that labor is the determinant of value, regardless of whether it's specific or not, because this labor, even if viewed as natural, reveals antagonistic relationships. So, the relationship has to disappear. It's not that we have to discover something that classical economics didn't discover. And for this, the analysis has to focus on the most immediate appearance (which is absolutely real, which one can take from reality).

What are we going to do about what neoclassical economics calls the "budget constraint [27]," which they claim is imposed by nature? We all do what they say explains value: if I have these needs and this limited capacity to satisfy them, I choose which ones to satisfy, what we're going to do with our "income." And they stop there and say that this is what explains exchangeability and the magnitude of change, and that in reality, none of us has any relationship with anyone else. If work confronted us with the idea that everyone works for others... Smith immediately discovers the relationship between buyer and seller of commodities, and that one cannot appeal to the kindness of the baker, the butcher, etc., to provide these things; one has to appeal to self-interest to satisfy one's own self-interest. So, he's declaring from the outset that this is a society where relationships are antagonistic. Neoclassical economics has to argue: no, this is a harmonious world. On what basis? The idea is that no one has a relationship with anyone else, but rather with things: one chooses their preferences, and based on those choices, supply and demand curves are derived, and each person maximizes their well-being according to their own choice. It will openly state that value is not an interpersonal relationship, but an intrapersonal one, the relationship of each individual with things. So it's not a matter of having a good or bad relationship with others: I have no relationship with anyone. That is the role of vulgar economics. Later we will see other, more complex roles.

So it's an appearance that isn't a fantasy; it can be proven. One of the arguments of neoclassical economics against what we're discussing is: this is what everyone does; where did you get the idea that the problem has to do with work? And that it's a natural process because wherever there have been human beings, they've always had to do this. Paul Samuelson, Nobel laureate in Economics, who was an authority on this economics until his death (although he's somewhat forgotten

[27]Later he explains it as a barrier regarding the fact that the human subject can never be fully satisfied, total utility is always increasing, he can always go further without limit until he runs into the budget constraint.

now), wrote an article saying: the rudimentary and primitive state of society that Smith talks about, the caveman society, was a society "with a very high interest rate, because time was very scarce and therefore very expensive." Watching The Flintstones, one might think that there was an interest rate in that society, but... That's vulgar economics in its purest form, but it has this foundation: in all societies, time matters; one chooses whether to consume today or tomorrow... And that's the explanation for every form of society.

4. *The simple form of value, as a whole.*

We had the first characteristic of the equivalential form and this idea of its mysterious nature. Marx's observation is that the commodity at the equivalent pole, which to be there must be a use-value, has acquired a second attribute: it serves, simply put, to express the value of the other commodity. And Marx will show that the linen at the relative pole, which expresses its value in a frock coat, demonstrates that the tailor's work is not merely about making suits and therefore men. Why? Because with his labor he is creating a use-value that satisfies a consumption that is not simply animal, but properly human—a consumption of the product of human labor. When one works for others, what one is doing is producing others as human beings, because one is generating the conditions for them to consume as human beings. But when the frock coat occupies the position of the equivalent, the tailor's work was not only to create that use-value that serves to reproduce human subjects, but he has also produced a body that represents value in this exchange relation. And value is socially necessary abstract labor materialized in the commodity that is at the pole relative to the equivalent.

So how does the tailor's work fulfill this function? The only thing that matters in the exchange relationship is that it expresses abstract labor, and it can fulfill that function because it is the product of concrete labor distinct from that which produced the linen. In the case of gnocchi and shoes, it's not kneading dough, but rather attaching soles, etc. Therefore, the commodity at the equivalent pole has the power to represent value and, consequently, the abstract social labor of the commodity at the relative pole. If at the equivalent pole there were the product of the same concrete labor that produced the commodity at the relative pole (10 frock coats = 10 frock coats), that labor which produced frock coats would not be giving its product the capacity to represent value. When there are 10 $VL = 1\ L$, the labor of making the frock coat, because it is materially distinct from that which produced the linen yards, acquires the capacity to represent value. So the second characteristic of the equivalent is that concrete labor is an expression of abstract labor: the body of the frock coat expresses value, the concrete labor of making the frock coat expresses abstract labor.

Why on earth does the concrete work of making suits have the capacity to generate a product that represents abstract value and labor when it is in an exchange relationship? Making frock coats is the same as making linen, and yet in that exchange relationship, this work appears to contain an "unnatural" attribute that, in turn, generates it in its product. This abstract labor has a social character and it has to make itself known. In what does it make it known? In the frock coat.

And this is not the product of immediately social labor: it is the product of private labor. The third characteristic of the equivalent is that the private labor that produces the equivalent *expresses* directly social labor: it doesn't have to prove that it is useful. And yet it is the product of private labor. The mysterious aspect develops in: how is it possible that a private job like any other, in this *and only in this* relationship, has the power to represent social labor? Where did it get that "advantage" that it has in that exchange relationship over the one who made the linen? Because the problem for the labor that made the ten *frock coats* is that it has to prove that it is socially useful labor. And yet, the one who made the commodity at the pole of the equivalent does not have to prove anything: he is a representative of social work.

Regarding antitheses [in relation to a previous question], each of the things that will be expressed in the exchange relation is expressed in the opposite of what they are, in the commodity that functions as an equivalent. Value is expressed in the form of use-value. Abstract labor is expressed in the form of concrete labor. Social labor in the form of private labor. Everything is reversed. That's why it has a mysterious character. Marx will say: the value of commodities can only be expressed in the form of exchange-value. To that traditional economic language that commodities "have use-value and exchange-value," what he will counter is that a commodity only has exchange-value when it is in an exchange relation with another. It cannot express its exchange-value on its own. Actually, it 's not correct to say that it is use-value and exchange-value, but rather use-value and value, but at the same time, to express value, the commodity necessarily has to enter into an exchange relation with another.

The following points, before proceeding to the unfolding of this simple relationship [point 4], are as follows. First, the substance of the value of commodities is what explains exchange value and the magnitude of value, and not the other way around—that value and its magnitude can be explained through exchange value, through the form that value takes. Later, we will examine approaches that, in Marx's name, explain the value of commodities by exchange value, arguing that commodities have value because they are exchanged, and that the magnitude of that value depends on the proportion in which they are exchanged; in other words, commodities are exchanged simply because they are exchanged. And Marx makes the opposing observation: it is inherent in the nature of value that it can only be expressed as exchange value, but exchange value cannot explain the substance of value.

[Javiera asks me to elaborate further on the “mysterious character”] [...] The tailor's work creates that power. But why, if it's the same as the weaver's work? There's nothing that directly compels the other individual to accept that the tailor's work has these attributes. And yet, one looks at the weaver and the tailor and says: they both work privately. Why, in this relationship, does the tailor's private work have that power? One could stop and say that it's because the tailor's work has this marvelous aptitude (the mysterious character). When Marx looks at money, it too is a product of private labor and has this power, and it seems natural.

Why is SNALdPaI represented as the value of commodities? Marx, when he finishes this explanation, considers this question answered. The simplest form of value is the one in which the antithesis of use-value/value is manifested, where the commodity that has to prove that it has value only matters for its use-value, which is what the buyer wants to receive, and the one that serves to express its value, the one who puts their body on the line, is only of interest as an expression of value, as exchange-value.

Labor and its products are common to all forms of society. But what is specific to commodities, to a particular historical period in the development of humanity, is that this expenditure of labor is represented as a materialized attribute in the product (its value). Since the determinations of the commodity already appear in the simple form of value, this simple expression corresponds to the simplest determination of the commodity. Therefore, the development of the commodity coincides with the form of value. This will lead us to confront capital, the historical development of the capitalist mode of production, and that which goes beyond the capitalist mode of production.

Then arises the discussion that I would like to raise, and which came up in the first meeting: whether what Marx is presenting here, when he looks at this simple form of value (he calls it the " *fortuitous* " form of value, implying a certain accidentality in the determination of the proportion of exchangeability), is the historical origin of commodity production and therefore of the capitalist mode of production; whether this unfolding from the simple form to the unfolded form of value in the commodity corresponds to a historical process or simply to the unfolding of what lies ahead in the full development of the capitalist mode of production, what some call a "logical" development. I'm not going to put it in those terms because there is no logic here; rather, it's the accompaniment of the unfolding of a potential that is realized, and when one sees it realized, one asks: and what potentials are in turn contained within this concrete form? I see it, and it matters to me essentially, as the unfolding of determination. We begin with the question of our political action, not with the historical origin of the commodity. And within this question of our political action appears the simplest form of value.

It's fashionable in these discussions today to say that Marx never considered this part, at least, to be the historical development of the commodity (later he does discuss historical development, but it refers to a commodity prior to the one we're examining), and that the idea of a capitalist mode of production arising from simple commodity production is an invention of Engels. In Volume 3, the drafts edited by Engels, the phrase is there (it's said that Engels moved it), and Marx says: the simple production of commodities (or something like that) is the historical origin of the capitalist mode of production. And at the end of Volume 1, this is stated explicitly: the development of the simple form of value is the development of the commodity form. The commodity becomes capital.

So, I can see in that the historical process or as a necessity for the development of the method of knowledge, but regarding the arguments that Marx didn't see it as a historical process at all... The phrase raises doubts, because "fortuitous" implies that the exchange of commodities, which is what will later appear more explicitly, is not yet developed. They became equal by accident. One cannot claim that Marx

didn't say that this could *also* be an accompaniment to the historical genesis *of the capitalist mode of production,* not the historical genesis of the commodity itself within the capitalist mode of production.

B. TOTAL OR EXPANDED FORM OF THE VALUE

z commodity A = *u* commodity B, o = value commodity circulation,
o = *w* commodity money, o = *x* commodity E, etc.

(20 *VL* = 1 levitate, or = 10 pounds of tea, or = 40 pounds of coffee,
o = 1 *quarter* of wheat, o = 2 ounces of gold, o = ½ ton of iron, etc.)[28]

1. *The relative form of the displayed value.*

The simple form reveals its limitation as an expression of value. If the point is that the commodity has moved from one pole to another, that the commodity expresses its value (which is the product of social labor), and it only does so against another particular commodity, it has proven that it has value against that one, but can it prove the same against others? Then what will appear is that what *A has to prove* is that it is exchangeable for *any other* commodity that occupies the position of the equivalent. Then a development emerges that is initially formal (this form has this limitation, and therefore I unfold it). And what is this unfolding? It is the simple expression repeated with respect to all the other commodities in circulation, and now that commodity will be proving that it is a product of social labor against any other concrete form of social labor, that it is capable of entering into an exchange relationship with all the others, which function as its equivalents. The only one that cannot be in this unfolding is the commodity itself that is expressing its value because it cannot express it in its own form.

What will emerge is that the social character of the labor that produced the commodity at the relative pole is expressed in quantities of the body of another commodity. And all of these are valid expressions of the value of the commodity at the relative pole. This value has different expressions in the different commodities that will act as equivalents; it has a multiplicity of expressions. When we started, it seemed that there couldn't possibly be anything common because there was a multiplicity of expressions, but if there was a relationship of equality, there had to be something in common. Now, what is expressed is: 1) that there is no longer a fortuitous character because it is expressing its exchangeability in all other commodities, and 2) that the magnitude of the value of the commodity is not governed by the exchange process but is now taking shape in the developed relative expression of the value of the commodity; it is taking shape that this commodity has a certain magnitude of value and that it is expressed through its different exchange values.

2. *The particular form of equivalent.*

[28]Marx, K., *Capital* (1977: 28), Volume 1. Mexico City: FCE.

Marx told us: commodities are telling us the same thing we discovered when we analyzed them in their own language, the language of movement in exchange. In the unfolding of exchange, the commodity shows us that if it can be equated with different proportions of all other commodities, it has a common attribute with all of them, but it also has a magnitude that is independent of its expression with all of them; rather, it is the other way around: that same magnitude has different expressions *because* the different commodities that act as equivalents are the product of different quantities of SNALdPaI, different quantities of units of that commodity contain different quantities of abstract labor. Therefore, we will have this dual condition expressed in exchange.

3. *Deficiencies in the total or deployed form of value.*

What will happen to this expression? Each use-value of the commodities that act as equivalents constitutes an equivalent that operates in its own exchange relation. It is a concrete, determined equivalent, with a specific form; each one is a special equivalent. The way in which the commodity at the relative pole can express that it is the product of simple human labor in general is by entering into the exchange relation not with a particular commodity or a few, but with all of them. Thus, each special equivalent appears as a partial expression of this condition of being a product of human labor in general, which the commodity at the relative pole possesses. There is no single, complete form through which the commodity expresses that it is exchangeable for any other commodity because it is the product of labor qualitatively equal to that found in certain quantities of any other commodity.

Marx proposes a further step in the formal unfolding: if we reverse the relationship, it appears that all commodities except one express their value in quantities of the use-value of *a single commodity,* and therefore the social character of labor has *a unique expression.* Each expression of simple value is equal to any other expression of simple value, and therefore value in this form has a general expression. Now what will emerge is this: the commodity that is at the pole of the equivalent of all others will function as a general equivalent.

[Responding to Juliana] There's no logical unfolding here. Logic is a constructive necessity that's external to the object one is confronting with thought. And that's not what's here. What we have here is an unfolding of what one is observing. One observes commodities in exchange; the analytical development ended at point 2 with the analysis of commodity-producing labor, the discovery of the substance of value. And then comes the question of how this substance is expressed. What we're doing is describing how it manifests itself. Isolated from the commodity, I can't see whether it has value or not. Where did I find it when I started? I expressed it in the exchange relation. When I look at that simple expression, I see that it doesn't exhaust the capacity that commodities have to express their value. So I have to develop the relative form of value. Looking at it, I have a problem, because all commodities have to be included, and each one appears in this particular relation in which it acts as an equivalent; in the others, this capacity to represent the value

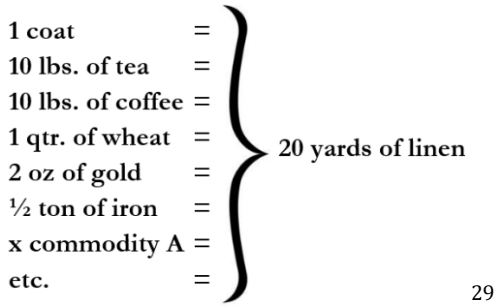
of these commodities isn't present. The fullest expression of this is that all commodities express their value in a single one of them, acting as a general equivalent.

There is no logical, constructive necessity that says: I have to assume that this simple expression here must be extended. Nowhere do I have an assumption about the simple expression, which is the manifestation through which the value of any commodity appears in the exchange process. What exists is this unfolding of the powers inherent in what one is observing. I don't know if I would associate a logical construction with a Kantian one, but rather a Hegelian one. One of Marx's very early criticisms of Hegel is that one cannot apply general necessity, pretend to find general necessity, in all concrete forms. What one must seek (Marx will still use the term "logic") is the movement of the concrete thing one has before them, and not apply the universality of "dialectical logic" to each concrete thing one encounters.

Each person must confront, for themselves, the actual unfolding of their subjectivity, and when one questions their subjectivity, one is confronted, within the capitalist mode of production, with the commodity. Thus, one uses the text of *Capital* to develop a process that, from a social perspective, is one of recognition. Individually, one undertakes a process of original knowledge or reproduces one's own knowledge afterward, but socially, one will be able to develop one's original knowledge using as a tool that objectified unfolding (which has a socially appropriable form) that Marx created, but one will be subjecting it to critique all the time. And if one doesn't find the same thing that Marx finds, what one shouldn't do is say: "What I find is different from what Marx found... but it's what Marx meant," I can't say: "Since it's Marx, I'm going to disregard what I found," because at that moment I destroyed the unfolding of determinations, I turned it into a representation: I believe what Marx tells me and I'm going to accept it. This use as a process of recognition helps me to look at the capitalist mode of production, its simplest determinations (which are not logical), it is the reality of the capitalist mode of production in its simplest form.

Approaching this form of political action, which for me is the workshop, I can't say, "That part I see in Marx, but which doesn't work for me, I'm going to erase it," which would be intellectually dishonest. So I make this observation. One can approach it as a historical development, and in defense of what appears in the text and what Engels did with it, particularly in Volume 3 (which I think was an extraordinary work), now it's said that he rewrote the book, that he distorted the original… I want to emphasize this other aspect, which is a key point one can follow and which Marx himself upholds in his work.

C. GENERAL FORM OF VALUE



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1. *Modified character of the value form.*

We took the simple form, and what we discovered, looking at how it operates, was this: the commodity that enters the exchange relation enters to express that it has value, that it is the product of a SNALdPaI. If we look at the expression of value (exchange relation), we see that it is expressed in quantities of use values. When I continue looking at the unfolding of that exchange value, I say: the commodity at the relative pole entered to prove that it is the product of human labor in general, and it proves this in relation to Another commodity is the product of a different, specific labor. And to prove that it is *socially useful* labor (that it is done for others), it does so in the product of labor that, outside of that relationship, does not have the attribute of representing social labor; it is private labor, but within that relationship, since it does not have to prove that it has value because it is the expression of the value of the other, it appears as if from its condition as private labor this attribute of being immediately exchangeable for that which is in the equivalent springs forth.

What does this reveal? It's a limited expression. I see that a commodity shows me it has value in this specific instance. How can it show me it has value beyond this circumstance? By entering into an exchange relationship with all other commodities, in a proportion that always corresponds to the quantity of units at the relative pole. Since the others have different use values, depending on how much labor was expended, it indicates how many units of the other are needed for the first to express its value. Now it is showing me, not circumstantially, but fully, that the labor that produced commodity A is socially useful, being capable of entering into an exchange relationship with all the others.

When I look at that expression, what I'll find is: okay, that's how it's expressed, but that expression manifests itself in special equivalents, and therefore this expression unfolded here doesn't have a simple expression. The simple one will exist when all commodities express their value in the same way: *A* will represent all forms of labor done in society. I could have the unfolded expression of the

[29] *Capital* (1977: 31), Volume 1. Mexico City: FCE.

relative value of one commodity in all the others, and next to it, the relative expression of the value of the second in all the others, and the third… Whereupon, the one that was relative in the first is equivalent in the others. And there I would have the universe of the expression that all the labor materialized in all commodities is socially useful labor; they are all proving that they have value. But I would have as many unfolded expressions of value as there are commodities in society. There's a simple way to express this, and that is that there is a general equivalent: instead of many particular equivalents for a single relative expression, what I have is many relative expressions with a single equivalent. If this thing that is the commodity of the equivalent pole has the attribute of representing social labor done privately and independently, now when this commodity fulfills the role of the general equivalent, the entire representation of social labor is synthesized in it.

One clarification: up to this point, it's any commodity. And we're going to start looking at its concrete development in a historical unfolding because it's going to reach a specific form. And we're going to explain, partly in this chapter and especially in the second, why this equivalent function acquires a concrete form, becoming fixed on a specific use-value, and how its role will be expressed when it's fixed on that particular use-value. That which represents social labor done privately and independently will acquire its full expression. Up to this point, what has emerged is that it can be in the body of any commodity; one can place any commodity at the pole of the general equivalent. The general equivalent doesn't exist in the abstract. What hasn't yet been established is the function of the general equivalent in a particular commodity. Later, we'll explore why it needs to be fixed and why in a particular commodity, and what attributes this commodity must have to fulfill that role (this will appear in Chapter II). Whenever one speaks of a general equivalent, it's a concrete commodity; *it can never be labor*. Socially necessary abstract labor is the *substance* of value, but the problem is that it can never be expressed by itself; it can only be expressed as exchange value in quantities of the physical, material body of the commodity, whatever it may be, a specific use value.

2. *Development of the relationship between the relative form of value and the equivalent form.*[30]

[…] There was a reference to the fact that the simple form of value, the expression of the value of X in the use-value of Y, appears even in very primitive times, when only occasional, circumstantial exchanges existed. The developed form of value only manifests itself when there is a commodity (Marx will use cattle as an example) that is exchanged *normally* with others. I would like to clarify this observation. The form may manifest itself in that primitive expression. But the content of the determination of value in that simple expression does not have the content that we have come to know in the commodity, in the form that we have come to know. And even when this developed form appears, which begins to emerge when there is already a commodity that is systematically occupying the place of the equivalent, it may be that the exchangeability of commodities does not have the content that we have discovered analytically and that is now being revealed in the unfolding of the form of value. It is an observation that Marx makes there that has an external character; one cannot think that in that original simple form there was necessarily this content that we are looking at up to this point.

Having made that clarification, we continue with the form of the general equivalent. When we examine it in light of the determinations of commodity exchangeability that we have analytically examined, it appears that this commodity, which functions as the general equivalent, begins to distinguish itself from other commodities because it acts as the expression of their value. Just as it differs from the others because they all express value in this commodity, by "transitive character" all commodities are related through the mediation of the general equivalent. One commodity proves its value-bearing nature in relation to another because both express their value status in the general equivalent. What appears here, above all, is a formal mediation of the general equivalent. But the determination of the content of this equivalent will be marked in what follows.

Which commodity plays the active role in this development of the expression of value, and which one passively fulfills its role? What makes a commodity the general equivalent is the movement of other commodities. It does not occupy the active position but passively reflects the value of the others. Thus, it is the movement of all commodities expressing their value in a single commodity that separates that commodity from the others, distinguishing it by its status as the general equivalent. Consequently, the expression of the social character of labor, which has a unique form and therefore a general character, requires, as a condition for fulfilling this role, that it be socially recognized in this role.

This characteristic is expressed in the fact that the movement of all other commodities separates this one and gives it the role of being immediately exchangeable for any other, and consequently, immediately representative of social labor performed privately and independently. All other commodities must enter into an exchange relationship with this general equivalent to prove that they have value; they are not immediately exchangeable. We begin with private and

[30]I'm putting it here because the cut is unclear, or if it even refers to subsection 2.

independent social labor, which is the "expression" of the impossibility of immediate exchangeability —it has to prove that it is exchangeable—and of the unfolding of this situation in which no commodity can be immediately exchangeable because that would imply that simply by looking at it, one is seeing value. What we see is that with the development of the value form, there is a commodity that, just by looking at it, one sees social labor; it is immediately exchangeable for all others.

If this form of the general equivalent is consolidated in a commodity, this commodity, even outside the exchange relation, is socially recognized as having value. Now we see that there is a commodity that can do this, but not on its own, rather thanks to the movement of the others. It doesn't have to prove that it has value: it represents value. This commodity—the general equivalent—manifests that it has value; what it cannot do is express the *magnitude* of its own value. For that, the relation must be reversed. And if one wants to maintain the evidence that this commodity is the general equivalent, it has to express its value relatively in the body of the other commodities. If a commodity expresses its value in the body of all the others and is recognized as a general equivalent, we can know the magnitude of its value. Seen alone, we know that it represents value, but we don't know how much. No commodity can have that attribute; it cannot express the magnitude of its own value, although it can express the value of the other.

One more clarification. The logical representation will say this: I have a model built on the basis of those attributes that are always repeated. Then I have simplifying assumptions that will leave me only with those attributes, and on top of them I will build the concept of what I have before me. And from that concept, from this simple model, I have to gradually remove the simplifying assumptions and see if, as I move towards more concrete forms, with more specific details, what was true in the simple model continues to hold true. If, when I move forward and remove the simplifying assumptions, the more concrete model contradicts the simple model, I have two alternatives: 1) Either I say that the simple model is trivial, only useful for those more general assumptions but not for the concrete model; or 2) what I stated in the simple model regarding the concrete model is simply false.

What we did was start from a situation in which we said: no commodity can be immediately exchangeable, can express that it has value. For that, it needs to be in an exchange relationship with another. And now, what we arrived at in the development is that because each commodity, in order to express its value, needs to be in an exchange relationship with another, one of them is separated to fulfill the function of the general equivalent and, consequently, does not have to prove that it has value. These are two completely different ways of proceeding: in one, if we arrive at the opposite of what we started from, we say that the starting point was false. In the other, we say: thanks to that starting point, we can find that under concrete forms, this contradiction between the private and social character of labor unfolds to the point where there is a commodity that in itself carries the full unfolding of this contradiction: it is the product of private labor but represents social labor. We will constantly be seeing this unfolding, that the concrete form presents itself to us as the opposite of the starting point. And that doesn't

invalidate that point; on the contrary, it shows us that to arrive at this concrete form we needed to start from that simpler form, and that only in this way can we unfold the determinations of the concrete form.

We remain in this situation where there is a concrete form of private labor that represents both the social and abstract character of labor, and consequently, in the expression of the value of all commodities in this form, what is revealed is that all the labor that has produced other commodities has the same attribute as the labor embodied in the commodity of the general equivalent, that the labor embodied in the general equivalent is an expression of human social labor in general. Marx argues that he no longer represents it simply as abstract labor, devoid of quality, but rather as the expenditure of human labor power, the physiological expenditure of the human body, as we have seen. Now Marx demonstrates that this is revealed in the exchange relation of all commodities with the one that occupies the place of the general equivalent. And we are reminded again of what he stated: that now the commodities themselves, in their movement, are telling us what we had previously discovered through analysis. The question reappears that the form of the equivalent now seems to carry the determinations of the value of commodities. Marx emphasizes again: *it is the other way around;* it is from the development of the relative forms of value that the form of the general equivalent arises.

3. *Transition from the general form of value to the form of money.*

Here Marx takes it a step further and says: up to this point we have been talking about the form of the general equivalent that applied to any commodity. We have developed a formal concept regarding how we unfolded the relative form from the simple form of value, how that was reflected in the form of the equivalent, but this applies to any commodity. It could have been separated from all others as equivalent. When this process reaches its full development, this condition of equivalentness is applied to a specific commodity that represents the value of all commodities and occupies *not merely formally but actually the place of the general equivalent.* In the development of the commodity exchange process, it comes to occupy this place and is socially recognized as *the only one* that can occupy it, and what we will have is a commodity that will fulfill the *function* of money, a role that historically, in the development of commodity movement, fell to gold.

D. FORM OF MONEY[31]

20 yards of linen	=	
1 coat	=	
10 lbs. of tea	=	
10 lbs. of coffee	=	2 ounces of gold
10 lbs. of tea	=	
½ ton of iron	=	
x commodity A	=	
etc.	=	

[31] *Capital* (1977: 35), Volume 1. Mexico City: FCE.

So, we're going to have the consolidated form of the general equivalent. And the simple relative expression of the value of all other commodities in which it functions as money is the price-form that the commodity's value has. Gold, like any other commodity, cannot express the magnitude of its own value because it acts as the consolidated general equivalent, as money. The labor that extracts gold is the socially necessary abstract labor that will be represented as the value of gold, and it is the quantity of that labor that will determine how much value there is in a certain quantity of gold. The problem is that if I look at that quantity of gold in isolation, I don't know the magnitude of that value. If I want to know it and still have evidence that this is the general equivalent, socially recognized as money, I have to put the relative expression of the value of 1 ounce of gold in all the special equivalents—all other commodities—into the form of all other commodities. There is no other way to express the magnitude of its value.

We started with exchange value, moved on to value, returned to exchange value, and now we have price. Each of these three terms corresponds to a different concept. In classical and neoclassical economics, these three terms appear *interchangeably,* as if they were synonymous. What we need to consider here, in short, is this:

- Value is socially necessary abstract labor that materializes in its product privately and independently, and is represented as the social attribute of that product being an exchangeable object, relating to others that possess this same attribute in exchange. It cannot be expressed immediately as value, only in the context of exchange with another, except when one considers money, even though one cannot express the magnitude of its own value.

- Exchange value is the expression of that attribute of exchangeability, a way of expressing the value (content) of the commodity.

- Price is the exchange value of a commodity (an expression of its value) in money. It is the general expression of the value of commodities, serves as a general equivalent, and is immediately exchangeable for all others.

I see gold, money, and what I see is social labor. I see any commodity *outside of an exchange relationship,* and what I see are products of private labor that must prove they are indeed products of social labor. Commodities are the product of social labor at the moment they are produced. Value is finished labor, materialized in the commodity; it no longer exists in the activity: it has been objectified. Consequently, nothing can happen to labor in the exchange process because it has already happened. What we have before us is this: labor is socially useful or useless at the moment it is being performed. If it was performed in a socially useful way, the labor will materialize in its product as its value. If it was socially useless, when it tries to enter into an exchange relationship with another commodity or with money, since it lacks this social attribute, which is value, it will be rejected; it will not be able to enter into the exchange relationship. The exchange relationship *reveals* whether the attribute exists, and it *does not arise from the exchange relationship itself.*

It's obvious that something that wasn't a product of social labor yesterday can suddenly be one today, or that was one yesterday and isn't today. There were products that aspired to be commodities, but weren't. The point is that whether something was useful or not will be revealed by whether or not it enters into the exchange relationship. Because it had value, because I emerged from the production process carrying this social attribute, I was able to relate to this other attribute that represents value, to social labor. This attribute is *manifested* in exchange because the labor that produces commodities is private, where the producer has full control over the specific form given to the expenditure of their general capacity to work, without the intervention of those for whom the product of that labor is intended. And it is these others who have to determine whether the work *was* socially useful or not, and the indirect way in which this is determined is not a personal attribute of anyone, but rather through the exchange relationship.

As a private and independent producer, I have full control over my individual labor. I have to give a concrete form to the general productive expenditure of my body, and I produce a bed. I put the bed into circulation, and another possessor of commodities, or of money in this case, appears and confirms that I applied my private labor in a socially necessary way (done under normal conditions and useful to others). When someone gives me money in exchange for my bed, they are telling me that it is useful to that individual. Now, I make beds and say: this society is full of fakirs, so I'm going to make beds with nails because surely there's a need. I've been working, hammering nails all over it. I put it into circulation, and there isn't a single fakir willing to buy it. So all the work I did was done in a concrete form that was useless to anyone. Therefore, my labor was socially useless from the moment of production. If you look at it and say, "because it's exchanged, it has value..." you're doing it backward, instead of explaining exchange by value. There are a number of approaches with a strong presence within Marxist political economy in which this investment appears.

[They ask what happens to exchange relationships that are not exchanged for any price] I may have produced a bed for myself, a use-value, and I don't have to prove that it's useful labor because it's for me, it's individual labor. To produce a commodity, I have to have produced a use-value for someone other than myself (social labor). Here, the problem I have is that I do social labor, but independently of the recipient of my labor: so I don't know if it's useful or not for them until we enter into an exchange relationship.

[They ask about “unpaid” domestic work.] The product of domestic work within the family unit is a product of social labor, because one person in the family group works for another. But it is not work in which the producer has full control over their labor: they organize it because they have a relationship of personal dependence on the recipient of their work: there is no private labor. Often, there are approaches in Marxist political economy that stop at simply stating that value is socially necessary abstract labor, and that's it. In fact, Marx makes this assertion later in his work, but only after having stated that it was *performed privately and independently.* When we arrive at abstract labor, we still need to identify a quality that is present in labor that produces commodities but not in labor that does not.

And we were saying: the person who performs it has full control over their individual labor *because they own the means of production;* they decide what and how to produce (the quantity is not yet explicitly stated, but it is also present). Their consciousness and will, independently of any other individual, organize the labor.

What happens with things that are not commodities but are products of socially necessary abstract labor? They are made for others, but the producer doesn't have full control because they are directly linked, as an attribute of their person, to the person *with* whom or *for* whom they will work. There is no exchange relationship there, but rather the production of use values from one person to another in *directly* social labor. The moment it is organized, it is known that it is intended for individual X and that it is useful to that individual. [...] [32]In a friendship, it's like with domestic work. One doesn't expect something in return; there is a personal bond. With respect to one's friends and family, in the capitalist mode of production, one is not a personally free individual; one is bound. As a commodity producer, it is irrelevant whether or not one has personal bonds; it plays no role. The commodity producer performs their work privately and independently, and it is in this sense that they are a free individual.

[They ask what happens if one has personal ties with their employer] My employer is even impersonal, because of my position as a university professor... My employer has representatives, but isn't even a person. Now, when one has personal ties with their employer, they are a slave to their employer. And up until now, we haven't talked about those personal ties because they are irrelevant in the production of commodities. As a wage laborer, one doesn't have personal ties of dependence on the employer; what one has is an indirect link established through an exchange of commodities, and up until now, we're far from having seen what that commodity one is selling actually is. We can't answer at this point why it's a commodity, nor do we have the answer in front of us. But it's clear that in that relationship, one doesn't have personal ties. It has its advantages: the employer can't hit you, but it has the disadvantage that they can fire you without remorse. If what mediates is an exchange relationship, there is no personal dependence; it's a matter of two individuals working for each other privately and independently.

What follows is the question of what form the consciousness of commodity producers takes: if this is their general social relation, this is their social being, what form does this social being, as embodied in the consciousness of commodity producers, take? We still need to address point 4 [fetishism]. But I wanted to make this observation.

With this development we have made so far, Marx considers the two questions we had clarified [33]. Compared to versions prior to this development (there are

[32]We resumed after a connection interruption.

[33]1) Why is it that when socially necessary abstract labor is performed in a Private and independent manner, its materialization in its product is represented as the value of the product, its attribute of changeability ? 2) Why, if value is quantities of labor, can it never be expressed in quantities of labor?

even differences between the 1st and 2nd editions of *Capital*[34]), Marx added more explanations, including why labor, when performed privately and independently, is represented as value. This was linked to the fact that commodities, through their movement, tell us what we had already been told when we analyzed them: they are a product of the social metabolism. What I usually propose in all the workshops, since it is not clear that one will have the full unfolding of the answer to these questions, is to start again with the question of the value of commodities, but not from the simplest form that social wealth has in the capitalist mode of production (the commodity itself), but from the simplest form that the human life process has, what the process of social metabolism is and how its unity is established, and then to look at it in concrete forms. part of those concrete forms that Marx will mention in the section on fetishism, and what difference the capitalist mode of production has with respect to the previous ones and what is at stake with the form of value that the products of labor have.

If what one is going to look at in the capitalist mode of production is what happens to the social being of individuals, that social being has its specificity given not by the simple production of commodities but by the *capitalist production* of commodities. When we look at the simple form of commodity production, which is the simplest form presented to us by social labor performed privately and independently, we look at whatever is necessary regarding labor: what happens to labor productivity and the expression of value when that productivity changes. And it doesn't reappear in Volume 1. And every time it starts, it will say: money has a given value (assuming that the productivity of the labor that produces gold doesn't change), in order to be able to see in its purest form the movements that occur at the relative pole. Here we have very simple and general developments of labor: it is the material productive expenditure of the human body performed in a specific, useful form. How is that labor organized? Privately and independently. But what will be at stake is not simply social work, but work in the fully developed concrete form of labor governed by capital; so let us focus on the concrete determinations of the materiality of labor: what role do tools, consciousness, etc. play?

[Responding to Javiera about why to start with the topic of the materiality of labor] Why do I bring all this up first? Because of the " circulationists," who, with different interpretations, argue that since abstract labor is not a material expenditure of the human body, the value or specificity of commodities is not that they are produced by private labor, but rather that it is abstract labor with diverse definitions. And since this is what universally dominates in the world of Marxist political economy, which argues that abstract labor does not have a material character, that it is a historical social existence (contrary to what Marx argues, that it is common to all forms of society), it becomes necessary for me. When one goes to a conference where this topic is going to be discussed, one has to start by saying: Abstract labor is a physiological expenditure of the human body, therefore it is common to all forms of society, but when it is done privately and independently, its materiality in the product is represented as the social attribute of value. If this clarification isn't made, everyone assumes that abstract labor is something that

[34]Which is the definitive version, except for a series of additions by Engels based on a copy of Marx with annotations of things to change.

exists only in the consciousness of the producer, that it's historically specific to the capitalist mode of production, and so on. Faced with this, when someone questions Marx's ideas and challenges his arguments by saying that Marx meant this or that, when he literally says things that contradict him, they end up making Marx appear inconsistent.

Given this, I believe it's necessary to begin by examining the materiality of labor, what abstract labor is, and what is at stake when we speak of value: it's not an abstract problem of consciousness, nor an abstract social relation, but rather the vehicle for organizing the unity of the social metabolism process when social labor is performed privately and independently. What's at stake is how social labor is allocated to each producer, the concrete form they will give to the expenditure of labor power they embody. But this isn't explicitly stated, and what I propose is to make it explicit: what does it mean to organize labor? What is the nature of labor from a material perspective? How is the allocation of useful labor to each individual established, and what use values produced by other individuals will they be assigned for consumption? How does each individual's action as a subject of social production and consumption govern their own actions? And so we see that there is a material problem: the allocation of the materiality of labor in its form as general capacity to work and in its concrete form as useful labor applied to this or that production. And that this is resolved in the capitalist mode of production through the representation of labor as commodity value, which is what is resolved by giving the product of social labor the form of a commodity. Related to this, I see the need today to not wait to look at certain issues concerning the materiality of labor; we must begin with these issues.

Arturo: I have a definition of abstract labor from university, given by Eric Wolf [35]. He says that abstract labor is typical of capitalism because the market is a great equalizer of different jobs. So the market mechanism itself causes the difference between different jobs that previously couldn't be equated to disappear, and that abstract labor would be the measure of those jobs. I don't know if you heard that definition or something similar.

JIC: Yes, that's the one we're going to look at. If we look at different authors, they're all variants of a single author; they have the same source.

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[35] https://es.wikipedia.org/wiki/Eric_Wolf

[Recommendation of development: from the simplest determination of the human life process to the commodity.]

We set out to revisit what Marx takes for granted: the reasons why, when labor is done privately and independently, its materialization in its product is represented as value, and at the same time, why, if the substance of value is quantities of labor, it can never be expressed in quantities of that substance. Because Marx will not return to this question. In the chapter on commodity fetishism, there will be some indirect references; he will make comparisons with other forms of social organization and will allude to this.

That's why I always propose this alternative: to re-examine development, but not starting with the commodity, but rather the other way around, arriving at the commodity [36]. Let's begin with the simplest specific determination of the human life process, even of the condition of being a living subject, the simplest determination of human subjectivity. [Repetition: what is a subject, human metabolism, etc.] → limited expenditure of the body whose purpose is not to *actually appropriate* the environment but to expend it in order to *virtually appropriate* the environment = to know the powers one has as a subject in relation to the powers offered by the environment and to realize those of the environment. This clashes with the conception in our society of knowing/acting. I place knowledge as the starting point of action. And while this process of appropriation unfolds, the subject is transforming the environment and at the same time transforming itself; therefore, knowledge must extend throughout the entire process. For simplicity, I tend to put it as a starting point, but it takes place throughout the subject's actions, which include the reproduction of his own body.

We are looking at the process of human metabolism, a concrete form of existence of matter. If we speak of a concrete form, it means that matter contains potentialities, and therefore potentiality is an attribute of matter itself. Potentialities are not only in the subject, but also in the objects, animate or inanimate, upon which a subject will act. If what the living subject is going to appropriate does not contain the potentialities to become part of the living subject's body, it is impossible for it to appropriate it. If the object is another living subject, it has its own potentialities as a living subject; that second subject is an object from the point of view of the subject from which we start (e.g., the anteater eats living subjects, which are ants, as objects that contain the nutritive potentialities to reproduce its body). If the subject recognizes that the environment serves its purpose of reproduction, it initiates the action to *truly appropriate* the environment.

Humans need to expand their capacity to appropriate their environment. If a species does not develop this capacity, it is enough for its environment to change for it to be unable to reproduce. Focusing on specifically human forms, human beings expend their bodies to transform the environment and appropriate the product of that transformation: labor. The specifically human way of developing the capacity to appropriate the environment is through the development of the

[36] JIC warns that it will happen again, just like in session 9.

productive forces of labor. What is the most general way of developing these forces? The production of means of production: expending one's body productively to transform the environment not into means of subsistence, but into means of production that are then used to act upon the environment again and produce further means of production, ultimately producing a means of subsistence that can reproduce a human body.

If we return to the other defining characteristic of living beings, it's what happens to human knowledge, to the capacity to regulate bodily expenditure. Humans begin with animal knowledge, and when we speak of the incipient "human being," it is distinguished by a more developed production of the means of production than any other animal species. As the production capacity of labor increases and the starting point of each human life cycle becomes increasingly distant from its endpoint (each time a greater mediation, a longer separation in time from the moment of beginning to having a means of subsistence), human knowledge will have to expand until it reaches a point (figuratively speaking) where the organization of the human metabolic process is so extensive and complex that the knowledge governing this organization develops into conscious knowledge. It is no longer the most developed animal knowledge, but a fully human knowledge. This qualitative difference emerges: knowledge that knows that what it is doing is knowing, organizing the human life process. Now it takes the form of a voluntary action, being governed consciously. We haven't talked until now about how that consciousness is determined.

I forgot to mention in previous meetings another point that contrasts with what I've already stated, which is the general conception in our society regarding this need for living beings to transform themselves, to develop their capacity to appropriate their environment. Even current scientific knowledge tells us that nothing can have a potential to be realized unless it has already manifested itself as realized, and only in this way can one know objectively. Furthermore, any transformation that occurs to an object—it's impossible to consider a subject involved because that would imply a potential pending realization in its current existence—must originate from an external movement, spring from an external determination.

[Question about the unity of metabolism: analytically, the part of the action that one knows and that launches the action is separated, but in reality, one is always acting and therefore always governing the action.]

The purely animalistic way of progressing toward the capacity to appropriate the environment is "centered," or rather, takes the general form of a bodily mutation. Now, this process of human beings transforming their environment is full of mutations. The capacity for conscious thought, the collective combination of the work process, depends on the development of the glottis, which initially has very limited capabilities, to one capable of emitting a great diversity of sounds. The word is the way to objectify, to externalize conscious thought to others, and to coordinate the collective action of those individuals. And this is one of the conditions for the development of conscious knowledge. The fine motor skills necessary for writing are also one of the ways in which the human organism

mutates as a consequence of advancing in the development of the productive forces of labor: oral communication is not enough; it needs communication that has an objectified existence independent of the individual who utters it. Human beings develop their hands alongside their brains in such a way that they can write.

We are constantly mutating, only here mutation arises as a consequence of the development of the productive forces of labor. In the case of animal species, this is practically invisible, even though they also possess it; what is immediately apparent is the mutation of the body. A series of mutations appear, manifesting as losses of animal attributes: the potential of their sense of smell, which appears as a condition for… the productive forces of a work process that is massively collective and requires immediate coexistence among individuals who, with their animal sense of smell, would not tolerate one another.

When work becomes consciously and voluntarily organized, we already have this differentiation of human labor from any purely animal productive activity. What we find is that each human generation develops its life from a world that has been transformed by the conscious and voluntary work of the previous generation. Therefore, we have that the human being is the subject of their own history, consciously and voluntarily producing themselves. Humankind is a historical subject. When we ask ourselves about the meaning of what we are doing here, it is a question that refers to this condition of being a historical subject, whether one is consciously aware of being the bearer of this determination or remains fixated on the appearance that this determination does not exist. What one is doing with their actions is producing the next generation, always consciously and voluntarily. And how are our consciousness and our will concretely determined? To advance in this question, now in the development of the human metabolism embodied in the work we are examining, we must look at what work is and how its social character is organized.

We already saw this in Marx's work: it's the expenditure of one's capacity to work, the productive expenditure of the body carried out in a specific, useful form. We can say that the process of human metabolism begins with work (although it's actually a continuum). The first thing that becomes apparent when we look at it is that it's an individual activity; the one who works productively expends their own body. Therefore, the productive forces of individual labor are carried within the person of the individual who is working. To use an external expression: someone can work for another, but that person has productively expended their body, while the other has not. If we look at how that individual acquired those productive forces in their body, if we look at how that individual performs their work, we will find, we will see, that they possess them as a consequence of having consumed the product of the labor of other individuals. And we had already seen that when we spoke of work in which an individual expends their body so that another can appropriate the product of that expenditure, we were talking about social labor. The individual who works does so in cooperation with other individuals, and the productive forces that are put into operation are not only individual, but at the same time have a social character.

If one works for oneself, one is producing oneself as a human being: one is creating the conditions to be able to consume something that is a properly human use-value, a product of human labor. But if one works producing a use-value that one will consume individually, one's work has a merely individual character. If someone works producing a use-value for another person, one's work has a social character, and one is not simply producing that use-value but the other individual who will consume that use-value as a human being; one creates the conditions for the other individual to be able to carry out the consumption that is proper to human beings. We said it with the tailor: by producing frock coats (a social use-value), one is producing other individuals as human beings.

If we view labor as the "opening" of the process in each cycle of human life, what we find is this dual nature of labor, necessarily both individual and social. Labor embodies the unity of this dual determination. If, abstractly separating the unity of each cycle of human metabolism, we now consider consumption, it is first and foremost an individual activity. I cannot consume if I have not appropriated the object that is useful for my reproduction, whether it be a means of production for productive use or a means of subsistence for self-reproduction. Consumption is necessarily an individual activity, and conversely: someone can consume what was meant for another; one consumed it, and the other did not. This is what Marx emphasized when he said: to consume, one must materially appropriate use-value. What does one consume? First and foremost, the products of social labor, the labor done by others. But also, since one is an individual organ in a process of social metabolism, each individual consumes what is necessary to reproduce them as a productive organ for others. From an external perspective (because I think this is now a thing of the past), when political economy was studied at university, there was a subject called "Theory of Production, Distribution, and Consumption" which was supposed to address the unity of the human metabolic process, even though it fragmented it into these parts: how each cycle begins and ends. I'm missing the distribution part.

I'm going back to one point: when one is producing, one is simultaneously consuming the means of production to reproduce oneself or to produce for others. It's not simply a matter of spending. To put it very simply, one could say: metabolism begins with pure production and ends with pure consumption (although consumption is inherent in production and production is inherent in consumption). If we return to the unity of this process of human life, the productive forces of labor are now the productive forces of *social labor,* even though they are embodied in individuals. In simple terms, if action began with its organization, then each cycle of human life begins with the organization of labor.

And when we look at it, what we see is this: society materially possesses a certain amount of labor power, a certain amount of labor capacity, embodied in the productive members of that society. The problem of organizing each cycle of the metabolic process that begins with labor is to assign to each *productive member* of society what specific useful work they will perform as an organ of the social metabolic process. How they will expend their labor capacity in a specific way that is useful to others. And this is the problem of organizing the labor process in any form of society. Since, in order to carry out this expenditure, they must have means

of production, it follows from this allocation which means of production will be assigned to each productive member of society.

Society needs to reproduce and develop a certain capacity to work and appropriate the environment. If we look at the consumption process, what we see is how each member of society, not just each *productive* member, will be allocated specific use values resulting from that social labor to consume as a means of subsistence and reproduce their life. The problem that any human society faces when confronting each of its cycles of reproduction in its social metabolism is how to establish the unity between the social and individual character of labor (production) and consumption.

Up to this point, we have viewed it from the perspective of the unity of the social metabolism process. Now we need to examine it from the perspective of each individual organ within this process. We stated that consciousness and will are the means by which each human individual governs their actions as an organ of the social metabolism process. Consciousness, self-awareness as an individual subject within this social metabolism process, is knowing what concrete, useful form to give to the actions of each productive individual's body. Unity will be the form that social relations take. Recognition as an organ within this social metabolism process is the form that the consciousness and will of each member of society will take.

[Question about conscious knowledge] It may be that the individual says: I know that in this seed there is an embryo, which is a living subject with such and such potential, and since to develop it needs a certain temperature, humidity, and soil structure, I plant the seed. […] And this consciousness, which is more aware of its limitations, will be freer.

[Question about consumer demand] Up to this point, we don't even know what demand is. One can look at it as the need that each individual has as a consumer of the product of social labor, or look at it in terms of something inherent to the capitalist mode of production, and it hasn't appeared yet.

[Alejandro asks about the unity between production and consumption and the problem of viewing the two moments separately.] One needs to understand this unity because one needs to understand the concrete movement. Therefore, one cannot deny that in a movement, one aspect contains something of the other, because otherwise one would be confronting that movement in an immediately abstract, not even analytical, way. For example, when we look at the labor process, and I said that labor presents itself primarily as an individual activity, immediately, in order to understand the social character of this individual's work, I had to look at the consumption process they engage in: they can work because they have consumed the product of others' labor, they have learned to work from others, they cooperate with others… When one looks at consumption, what emerges is that one consumes means of subsistence that enable them to act again as a productive organ of the social life process, to be a productive subject. And on the other hand, one consumes means of production, which are also part of the consumption process. I cannot say that consumption is simply the means of subsistence or it is something else, and that they follow one another, one coming

first and then the other: it encompasses this complexity. The problem is how to establish unity between these two moments (production and consumption), and this will appear through distribution.

I'm going to propose something that overlaps with what Marx will develop in *commodity fetishism*, but it will help us understand it. I propose that we take a broad look at the ways in which, throughout its historical development, humankind has resolved this issue, arriving at the capitalist mode of production as we understand it so far, which is simply the production of commodities and the condition of being commodity producers.

Since the starting point of the human metabolic process is the production process—because the products of labor are consumed, and consequently, labor is the starting point—and since each member of society consumes what reproduces them as an organ of the social metabolic process, particularly as a productive organ, the way in which labor, and consequently the means of production, are allocated is the way in which it is allocated what each member of society will consume as a means of production and as a means of subsistence. Therefore, when we speak of the mode of production, we are speaking of the unity of the social metabolic process: just as production is organized, consumption is organized simultaneously (not separately and in different ways).

In Argentina, a view held that the mode of production is the mode "within" each production unit, and that the "social formation" or "social system" then establishes the unity of the process of social metabolism, was very prevalent. This view goes a step further, stating that there is a dominant mode of production, there are subordinate modes of production, and the social formation is the unity of these modes of production. This was reflected in the 21st-century translation and in the modern English translation by Penguin. What in previous translations (FCE, Justo's, etc.) was represented by the term "reigns" or "prevails" in the first sentence of *Capital,* was replaced by "in societies where the capitalist mode of production *dominates*." The use of " *dominates* " at the time the translation appeared was strongly associated with the presence of dominant and secondary or subordinate modes of production, and the unity was understood not as a mode of production but as the "social formation." When one has to confront a specific mode of social life, one cannot respond generically: “This is such and such a mode of production, this is such and such a mode of production.” That holds true when one is looking at the forms that this mode of production takes in general, but not when one is looking at the concrete movement and what one must do is examine its character. So let us look at how humankind has developed the ways of organizing production (and consequently consumption) and, consequently, the determinations of the consciousness and will of the members of society.

If one begins with primitive communities, this constitutes the bulk of human "history," the development of humankind. It starts on the basis of purely animal relationships—those of a highly developed animal—which gradually evolve into relationships of personal dependence, into direct personal bonds. Assignment is based on the understanding that this individual is a person who belongs to the community and therefore occupies a specific place in the social life process of that

community. They possess the personal attributes that correspond to that community. If an individual from outside the community is not recognized as a member and enters its territory, the community sees a piece of meat to be eaten, not another human being, because they lack the necessary personal attributes. Very broadly speaking, it will be a hunter-gatherer society whose general structure is as follows: a male who reaches a certain age becomes a hunter, and there is a ceremony in which this task is assigned to him after he has been trained. And women, at a certain age, are assigned the work of gathering and transporting (because these are nomadic communities) the community's commodities. And it is an assignment of what specific useful work for the community each one will do, focused very immediately on the biological attributes of each of the members.

If one examines far more complex and recent forms of these bonds of personal dependence, one will see the schematic figure of a caste or estate society. Belonging to a caste means having a specific function in the process of social metabolism. The priestly caste organizes the process of social metabolism, while the peasant estate is responsible for the immediate execution of the work organized by the priests. Because there is a mutilation of human subjectivity, this fragmentation creates antagonistic relationships within the community, and the military estate, in particular, coerces the peasants. Since these communities have antagonistic relationships with those surrounding them, they fulfill the role of carrying out this part of the social labor, which means exploiting the members of other communities. This allocation of social labor and what each person will consume is so personal that the individual born from the biological union of individuals from different castes has no place within it, because if one tries to assign them to one of the castes, they will carry with them the personal attributes that belong to another caste. Consequently, that individual becomes an outcast, unable to participate in the process of social production or in the general condition of social consumption (if at all). He is considered so impure that if he touches another, he transmits caste impurity; he is untouchable. This is a simplified explanation. These societies had more complex forms, and remnants of these forms persist, albeit with a completely different character today.

If one examines the slave mode of production, it takes many forms. But in classical slavery, the allocation of the slave's labor is the prerogative of the master (also very schematically), as is the allocation of the product of the slave's labor, and what exists between master and slave is a bond of personal dependence; one is not the master of just anyone but of this specific person whom one knows intimately.

In the feudal mode of production, social labor is assigned based on bonds of personal dependence. The lord does not have the power to directly assign work to the serf, but he does demand what the serf must deliver and organizes, to a greater or lesser extent, the serf's labor. The lord does not lose his status as such even if he loses his land because it is a personal attribute, and the serf, while in that society, has no way of ceasing to be a serf. There is a very notable example of this in Spanish literature and history, where Christian lords taken prisoner by the Moors were held at the Moorish lord's court awaiting ransom payment. Moorish lords

who fell into Christian hands faced much more complicated situations. But this is evident; he did not lose his status.

So, we have all these modes of production in which, through bonds of personal dependence, the specific useful work each member of society will perform is assigned, and now we have to look at the capitalist mode of production. But before that, what we have is this: in each of these members of the societies with the [previous] modes of production, the determining factor governing their consciousness and will is the bonds of personal dependence. When we look at the capitalist mode of production, the first thing we find is that bonds of personal dependence (family and friendship relationships) are not the general social relationship. And furthermore, these direct personal bonds are in the process of being thoroughly dissolved. How then do we organize our process of social metabolism in our condition as individuals free from bonds of personal dependence?

We have a society of reciprocally free individuals. To summarize: at the moment each cycle of the human life process begins, among the individual productive organs of this society, the only social relationship is that each person possesses an individual share of the total labor power of society. Unlike all previous social forms, this share is not assigned in a specific form; it is carried as a generic material capacity to work, to perform abstract labor. It is a problem, a resolution that each productive individual must make privately and independently—excluding others and governing their individual work with full control over it—determining what concrete, useful form they will give it.

And now the production cycle ends and consumption must take place, but there are no personal bonds that allow one to say: since I worked for you, you have to give me this product, or I have the right to receive this quantity of the product of social labor because I am a member of society. Therefore, the only way to establish that unity is to establish an indirect link. Since work was done without immediate unity between production and consumption, it is unknown whether each person's work was applied in a concrete, socially useful way. It is necessary to prove reciprocally, in an impersonal way, that one has worked in a way that is useful to another, and that the other worked producing something that is useful to oneself. And the way to resolve this unity is through this indirect link whereby, if the share of labor power in general has been allocated in a concrete form useful to another member of society, that materialization of socially necessary abstract labor will be represented as the capacity of the product of that labor to enter into an exchange relationship as an equivalent of the same magnitude of abstract labor as the product of another socially necessary abstract labor of the same magnitude performed in a concrete form that is recognized as useful to itself. What is resolved through the production of value, through its representation, is this unity.

Why, if value is a quantity of labor, can't it be represented as quantities of labor? Because social labor is done privately and independently. In *Capital,* in Chapter II, there's a brief reference to this. But in the *Grundrisse,* there's a more extensive development, which I'll use. For value to be expressed in quantities of labor—in the problem of hourly bonds, for me to receive a bond, a labor certificate stating,

"This is 10 hours of labor," in exchange for my commodity—the first thing that would have to exist is someone who says that to do the work I did, *x* hours are needed. If someone tells me how I have to produce, they have to give me the means of production I need to do it in those hours: I make shoes, but I don't have the machine that can make them in 10 hours. If someone has to tell me how I have to produce, how much, and has to give me the machine, then it's not a society where there are no direct dependency relationships; it's a society that would be the opposite of the capitalist mode of production. It is to claim that in the capitalist mode of production, private labor is immediately social labor; and it cannot be, it must be recognized as socially useful labor after it has been performed. And the only way it can be recognized is when it enters into an exchange relationship with another commodity that is a general equivalent: money.

Therefore, the reason why, when social labor is performed privately and independently, its materialization in the product is represented as the product's value, is that this is how free individuals, lacking personal dependency and with full control over their individual labor (the condition for this being private ownership of the means of production), organize their process of social metabolism. We lack any personal bond; our social relationship takes the form of an indirect link objectified in the commodity, and thus takes the form of a thing that has the attribute of socially relating me, a free individual.

What happens to the consciousness and will of a free individual, a producer of commodities? Before the production of commodities, there are no free individuals, no capacity to think of oneself as a human being. Where does equality appear as a naturalized image of the human being? In society, where social relations are established through an exchange of equivalents. The absence of all human equality (no two individuals are alike) takes the form of the absolute natural condition of human beings as equals. When we speak of producers of commodities, we are speaking of ourselves, of our social relations, and of our subjectivity (consciousness and will). We will now turn to the capitalist mode of production; we didn't have to delve into history to discover what our consciousness is. It is enough to look at ourselves as free individuals and ask: how do we establish the unity of our process of social metabolism if we have no bonds of personal dependence? Through the production of commodities.

[II]

[…] What was the significance of the fact that abstract labor is a *material expenditure* of the human body? The problem is allocating that material capacity to work in general under the various concrete, useful forms. So, we are not talking about an abstraction regarding what is at stake in representing the materiality of abstract labor as a social attribute of commodities. The problem is that whenever one is looking at all the determinations of value, what one is looking at is how the material question of allocating that total labor power of society to the various concrete material forms in which it will be applied is resolved. […] That which was produced with one of the shares of the labor power of society in general, and whose private form is socially useless (it is not a use value for any other member of that society), what will become evident is that, in that a posteriori unity, that part has been a waste of society's labor power, and does not count from the point of view of the closure of the development of the process of social metabolism. But since the work is done privately and independently, that waste falls on the individuals who did it [...].

[Question about the a priori and a posteriori units of production and consumption] In a mode of production governed by bonds of personal dependence, production is set in motion with the immediate objective of producing certain use values necessary for the process of reproducing social life. Since labor, when set in motion, is a potential to be realized, it may happen that production is either in excess or in deficit of what that society needs to reproduce itself. But what governs the action of each individual productive organ is the production of social use values that are known to be social, and what is produced will enter into social consumption. There is an immediate a priori unity: it is a matter of producing such and such use values that will satisfy this process of social metabolism. It may be that this production cannot be satisfied. When this occurs acutely in a mode of production of this type, what follows is famine.

In the capitalist mode of production, this immediate unity does not exist. Instead, each individual decides privately and independently how to manage their production, and therefore there is the possibility of error, resulting in the production of commodities that are not socially valued, that are socially useless. This unity can only be established *after* production has taken place, a posteriori. We will later examine the problem of the quantities produced of each type of commodity. As we proceed, the various ways in which the establishment of the a posteriori unity of production will have implications for the reproduction of social life will become clear.

So far, what we have is this: society had a general workforce, let's say 100 (a quantification that isn't valid, but it serves our purpose). This amount is put into operation, it's spent, and at the end of production, it becomes evident that, let's say, 10 units of that workforce were destined to do socially useless things. That is, now there are 90 units of that workforce available for consumption, simply because of the way work is organized, not because of poor natural conditions or because production goals weren't met, but because that portion was spent uselessly. The concrete result of producing 10 units that are useless is that those who spent those 10 are left without social connections; they don't have the capacity to be allocated

products for their consumption. Since work is carried out privately and independently, consumption also appears to be governed (not exactly) as being private and independent.

If a member of a primitive community fails in their role as a productive member of that society (they go hunting and catch nothing), they are still allocated a share of the product of social labor. It's not that they wasted money uselessly on something useless, but rather that they were unable to materialize it into a product. This individual does not lose their status as an individual member within the social system of consumption; the community allocates them a share anyway so they can reproduce because they are immediately recognized as an individual member of that community. Each person's consumption is guaranteed, at least as a member of the society: if half manage to hunt and the other half do not, everyone will be equally allocated a share of what was hunted [if no one hunted, everyone starves]. This society, when it goes out to produce, understands what use value is.

In the capitalist mode of production, recognition is indirect. Those who haven't achieved such recognition through producing an object of value have no right to participate in social consumption; since they lack a relationship with others, this participation is not theirs to claim. In this society, no one knows for certain, a priori, what constitutes use value, because that would require a social agreement regarding what should be produced and the amount of labor to be dedicated to each type of use value. It would require allocating the means of production needed to produce and the means of subsistence needed to produce again. And that is precisely what doesn't exist in the capitalist mode of production. No one can claim that what they produced is socially useful: it depends on others, who express themselves not through a personal connection but through the value of commodities.

[Question about “outcasts”] It's not simply that society decides it; it's the way social relations work in that society, with bonds of personal dependence. This means: I look at that individual and I know who they are. When you have bonds of personal dependence, you look at your family members and you know who they are; you can distinguish who is a member and who isn't. And the same goes for friends. When you have bonds of personal dependence, you define the individual's person in detail. In a caste society, since it's an attribute of the person, it determines their biological status. There are people who belong to a caste, and that attribute is transmitted because their father and mother are from the same caste. And the problem is when an individual is the product of the biological union of individuals from two different castes; they can't fit into either caste and become an outcast. Since they don't have the attribute, they have no way of being assigned a particular job or the corresponding consumption that job entails. This is what personal bonds entail: attributes that are in the person of each individual and are inseparable from that person while within that society.

[Javiera mentions the five-year plan]

I'm making this clarification. We'll look at the USSR later, but it was enough to examine the Five-Year Plan reports there to see evidence of whether or not there is

a direct link between production and social consumption: the Five-Year Plan is a proposal for the allocation of labor power, and then it must be determined whether it is socially useful or not, whether Peronist, from the Soviet Union, or otherwise. And in the USSR, there was a "clear" argument (though it wasn't so clear within the USSR) that it was necessary to recognize whether what had been produced was socially useful through (I'll put it simply in these terms) a market relationship. Five-Year Plans in the capitalist mode of production do not guarantee unity; they do not presuppose a direct allocation of social labor.

Only if it's to answer questions about our own subjectivity should we then make comparisons with other forms of social relations. Otherwise, first of all, we're violating the very development of dialectical knowledge (in Marx, comparison doesn't appear until he finishes developing the concept of determination). To put it more simply, one can make a comparison, but strictly speaking, the development is based on the object before us: the commodity in the capitalist mode of production, as it appears in its simplest form. This development will lead us to examine this movement in a very general way because it's about answering something that the commodity in its present state cannot answer. It will confront us with a contradiction, which, when we try to unfold it, we'll say: it can't be unfolded within our current framework. So let's see if, in the process of historical development, we can find the answer to this "unresolved" issue (the term isn't quite right, but...) in the present state of the capitalist mode of production. And that's where we'll address this question.

We answer the questions that the very unfolding of the commodity presents to us. And so far, it hasn't presented us with that problem; we haven't explained anything through a comparison between the market and personal bonds, no explanation of the determinations of value that has had to resort to that comparison. When I used that comparison, it was because it exemplifies contrast, not because it's the *cause* of what we're looking at. What we do with it is say: this thing here has a different form than this thing there. But those pre-capitalist societies aren't relevant to what I'm looking at; I can develop this line of inquiry without dwelling at all on the bonds of personal dependence. I didn't say that my problem was to answer questions about the historical development of the capitalist mode of production, but about this commodity. If, in the course of this development, we find ourselves needing to look at something that isn't inherent to the capitalist mode of production, we'll look at it as the central focus of the analysis. The other observations are to emphasize the contrast, and now Marx in the section on fetishism is going to make the contrast, having just exposed *within* the production of commodities in the simplicity of its purity, other forms of organizing social life will appear where precisely the difference they have is that they are based on bonds of personal dependence, except for one that later remains undefined.

[Question about the absence of free individuals before commodities] When one looks at commodity production, social labor done privately and independently, one sees that there are no bonds of personal dependence. The members of this society are individuals free from personal dependence on one another in our general social relations. When one looks at other commodity production systems, there are

no individuals free from bonds of personal dependence. An example, albeit premature, that expresses this: the condition of being a free individual is so firmly established in relation to personal dependence that it is an inalienable attribute from the point of view of general recognition by society. This means: if I make a contract with another individual saying that I freely and voluntarily become their slave, it is said to be as if it were not written, it does not exist. In Argentina, there are only two possibilities for renouncing this condition and having it socially recognized:

1) Legal marriage, as a situation in which two mutually free individuals relinquish their reciprocal freedom and establish a direct bond of personal dependence, implies that one cannot behave as a free individual within that relationship. One expression of this is that a free individual, when faced with a crime (stated abstractly), has the obligation to tell the truth. When a bond of personal dependence exists, that individual loses their status as a free individual and cannot be legally compelled to testify against the person with whom they have that personal bond.

2) Adoption. There is a free individual who comes to renounce his status with respect to another individual who is not free, is under the personal power of something or someone.

In Argentina, this manifests itself directly in political relations. A law, the "Law of Due Obedience," was drafted that excused members of the armed forces from torturing, murdering, and disappearing people because they were obeying orders from superiors. This law was ultimately invalidated because the argument is that no one can relinquish their status as a free individual, and if someone kills another person because a second person ordered them to, they are responsible for what they did, and the person who ordered it is also responsible because they acted in a way that a free individual cannot.

This is the expression of that conception of freedom as a natural attribute of human beings, a condition that only arises when one produces commodities. Because one cannot live without social ties: either one has personal ties, or this indirect tie through commodities. The second aspect of this is equality, which I also mentioned. Not even twins are identical, and yet—and Marx will put this in terms of “popular prejudice”—there is the image of natural equality, which appears because when we relate socially we do so through the exchange of equivalents. This makes us see ourselves as lacking personal attributes that differentiate us in that relationship, and we simply exchange equivalents because we lack personal attributes that distinguish us. These are forms of consciousness that correspond to what follows.

[He goes on to explain the difference with modes of production where the general social relationship is based on bonds of personal dependence, mentioning red and blue blood in feudalism].

When the bonds of personal dependence disappear, it becomes irrelevant who the other person is: what matters is what commodity they produced, whether or

not it has value, and consequently, one can look at others and see them as possessing a universal qualitative attribute (we are all equal human beings). Aristotle could not see labor as the source of exchangeability. He realizes that for two qualitatively distinct things to be placed in a relationship of equality, they must have a common attribute, but his response is: they have no common attribute; it must be conventional. According to Marx, he cannot see it because he lives in a society with masters and slaves; he cannot see a generic human condition, he cannot conceive of human labor in general, but only, on the one hand, the labor of masters and, on the other, the labor of slaves.

[Regarding the appeal to insanity in a trial]

This appeal is a renunciation of the status of a free individual, but I can't do that myself, say "I'm insane." All of this has to do with concrete forms. Let's look at natural freedom, and then we'll see about the specific legal forms where this social relationship is clearly reflected, and what happens when someone does something that is not in keeping with the status of a free individual.

4. The fetishistic nature of the commodity and its secret.

We now turn to the section on commodity fetishism. We are familiar with these determinations regarding the expression of value, but we are again examining the commodity from its external perspective. Marx argues that commodities are trivial objects because, at first glance, they were use values, but immediately... He uses the image of Chinese tables and chairs dancing to entertain others, an expression explained by Riazanov [37], who cites a letter from Marx in which he uses this image earlier: at this time, spiritualism had spread in Europe, with the idea of tables moving by themselves, and in China there had been the *coolie revolution* [38], the resolution of which was the widespread consumption of opium, which pacified them.

Commodities possess this mysterious, metaphysical aspect, a religious undertone, because they are material things that nevertheless have the capacity to socially bind individuals together. The question then becomes, where does this capacity originate? And so begins an analysis that takes the form of a process of eliminating attributes: it cannot come from use value because this is common to all products of social labor. Nor can it come from the concrete form of labor, because that too is practiced in every form of society. It also cannot come from the abstract character of labor, from the substance of value, because abstract labor exists in every society; it is a physiological expenditure of labor power. The difference lies in the fact that some societies, in their organization of labor, take this determination of labor in general into account more explicitly than others.

[37] Founder of the Marx-Engels Institute and editor of his complete works. Victim of the purges of the late 1930s.

[38] https://es.wikipedia.org/wiki/Cul%C3%AD

One can observe in primitive communities that the management of social labor always takes into account that society has a general mass of labor power and a general need for the reproduction of human bodies, but it is clear that the allocation of labor will be governed very directly by the concrete forms of work. However, if one looks at the mode of production of ancient empires, where enormous masses of labor power are all put to work together, it is clear that the management of the total capacity for concrete work that society possesses must have operated very strongly. There, the allocation and organization of that work necessarily had to involve the allocation of masses of abstract labor (the material capacity of society to work) to different concrete forms, and then a more immediate allocation of which specific individuals would perform each concrete task. This allocation, then, occurs in every form of society.

Marx then argues that this “metaphysical” attribute of the commodity, which presents itself as having the capacity to socially link producers, cannot arise from any of these determinations. It can only arise from the specific form of social labor organization within the capitalist mode of production, from the commodity-form itself, which is the product of social labor performed privately and independently. This implies that there appears to be no *a priori unity* between production and consumption, no social relationship between individual agents. The link emerges in the exchange process. It appears as if this exchanged object possesses the attribute of socially linking its producers. It is a product of the producers' conscious action, and it confronts these producers as if it had the power to define what is socially useful/useless, a power the producers cannot define for themselves. Thus, it appears as a materialized existence that arises from the producers ' conscious action but confronts them by having the attribute of organizing, of dominating, the organization of their social production and consumption process. The figure of the fetish is strictly this: it is the product of a human action that confronts its producer as having power over him, that dominates him.

If someone makes a little doll of me and sticks pins in it, and I look at the doll, I say: that's not me, poor little doll, because they're ruining it, but it won't hurt me. Now, I look at that doll and say that it's me objectified outside of myself, and it has the power to represent me and dominate me. When they stick pins in it, it hurts me. That's the most vulgar form of fetishism. And the term "commodity fetishism" reflects this: it acts as a fetish, it determines whether what I made is socially useful or useless, and if it tells me it's useless, of course it hurts me, because I can't participate in social consumption, and therefore I can't reproduce my individual metabolic process, and I die.

Marx summarizes this by saying: in the consciousness of commodity producers, the social relations they have with one another appear as what they are: they are not relations between persons, but relations between things that indirectly allow people to relate to one another. But they are not abstract relations between things: the content of this concrete form is that they are relations between persons, but they are not direct personal relations. It is not that commodity owners are “deceived” when they look at this fantastic attribute that their commodity

possesses: they see the form that their relation has because that is the way in which they relate; the problem is what its content is.

[Answering a question about whether being dominated by that object makes us "demented": In what follows we will see that no, one cannot simply appeal to dementia like that.

[Gabriel asks what the *realization* of a commodity entails.] Value is produced in production, where abstract labor materializes in its product at the end of production. Abstract labor is socially necessary/unnecessary at the moment it is being realized. Once it is materialized in its product, there is no going back. What will happen with that value is that it will only be recognized as such in the exchange process. Then the term " *realization* " of commodities, of value, will appear, which implies the transformation of the commodity into money. But what we cannot say is that at that moment, value is born, it becomes real. We saw that exchange is a relationship of quantitative equality, and for it to be established, there must be the same quality—value—in both poles of the relationship. Marx says that the relationship never *establishes* the quality, but rather reveals that the quality exists in these related existences, contrary to the image presented by some arguments.

Javiera: Where does the question about the mysterious nature come from? Because it seems to have been answered when we saw that it was a product of SNALdPaI.

JIC: One can view it as a form of exposition that Marx will develop very markedly in Volume 1, which establishes the block of exposition, the unity of form that dialectical knowledge possesses. Dialectical reproduction begins with an immediate observation (representation can be presented from any starting point) that wealth appears in this way, and what follows is an analysis of the necessity of what manifests itself. When he finds the specific necessity of it, he unfolds that determination. Within that chapter, that structure appears in a way. The entire development is complete: immediate observation, analysis, and unfolding. But it begins again with an immediate observation, which is what a commodity owner would make: this thing, however, has these fantastic powers. Then comes an analysis that proceeds as a discarding of things that are not, because he has already unfolded them before. He is summarizing, if you will, the analysis he did before, until he arrives at the conclusion that it is private and independent labor. Then we return to the observation and he asks: why does it appear as a fantastic thing? What is being deployed, then, is the consciousness of the commodity producer.

The presentation could also have been: “Now let’s look at what happens to the consciousness of the commodity producer,” and started directly from there. And it will say: when it looks at this, how it relates through things, it will seem to it that things have this property. But the only thing that matters to it is what it will receive in return; it doesn’t question the reason for this exchangeable attribute. And then the need arises for an objective consciousness that answers why value, being labor, cannot be expressed in quantities of labor. But this objective consciousness stops at the substance, but cannot explain the form because when it

looks at the product of its labor, it believes that by its very nature it has the attribute of being an exchangeable object. In the end, we return to what appeared as an initial external observation (this is an object with fantastic properties, something that alienated consciousness thinks about in commodities), and the question of why it has alienated consciousness in commodities, and then comes the unfolding of that consciousness.

There's a point where the whole question of the form of value is treated as an appendix, a clarification of things already explained. And if you look at the drafts where the form of consciousness appears in different editions, there's initially a reference to fetishism, and then it gradually incorporates more development. Only Marx knows why he structured it that way, but if I look at it, this mode of exposition reminds me of the unity of dialectical knowledge. And Chapter II begins in exactly the same way, with something immediately evident that is the opposite of its content, and then it unfolds as far as it can to arrive at the concrete form.

[Xatan's question about the materiality of value] The commodity is the bearer of the social relation, its form, because it has value. Value only exists materialized in the commodity; there are no commodities that are not a materialization of SNALdPaI. How do I relate socially? Through the exchange of commodities.

Xatan: What I was asking is whether the value “in itself” would be the social relationship between specific subjects.

JIC: I would have to repeat the same thing. One relates through the value of commodities; the substance of the social relation, its form, is commodities. Value without a commodity body does not exist, and a commodity without value content does not exist either. Depending on what reference one makes to the social relation, one can name it by its content or only by its form, depending on the moment. I produce the social relation when I produce value, but to produce value I must have produced a commodity.

Xatan: So how would you define value after all this development?

JIC: Value is the socially necessary abstract labor materialized privately and independently in its product, which is socially represented as the social attribute of that product, which is a commodity to be exchanged for another. I would add: this is a mode of production in which material production is simultaneously the production of the general social relation; one does not simply produce use values, but at the same time, one produces their social relation—it is inseparable. In other modes of production, one does not produce their social relation. All of this will have its manifestations in the consciousness of the commodity producer, because if I govern my production with a consciousness that carries a social relation preceding the process of my material production, I will see my material product in one way; I will see a use value. When, at the same time, I produce a social relation, I do not simply see a use value, but something that has the capacity to determine whether I worked in a socially useful way or not.

At a certain point, I posed the question: What is consciousness? It's the capacity with which each member of society governs their actions, recognizing themselves as an individual organ within the social life process. What is the consciousness of a producer? It's how I organize my work to produce social use values. When I examine what tells me whether my work was socially useful or not, it's an attribute that resides not in me personally but in my commodity. Sometimes people say that if something has no value, it's not a commodity; it's the product of socially useless labor. The way I recognize myself as an individual organ of the social metabolism is by looking at my commodity, which is the capacity to govern my actions as an organ of that process.

We will now proceed with Marx's analysis of the consciousness of the commodity producer. The first step is to say this: if we look at it in its immediate manifestation as something fantastical, it appears to them as it truly is. These are material relations between people, because what matters between people is use-value, and social relations between things because commodities are capable of entering into this relationship. The recognition inherent in the relationship between things is that these private labors will be recognized in this dual condition of socially useful labor: through the concrete form they have yielded, producing a use-value that satisfies a specific social need within the unity of the social metabolic process; and at the same time, through the fact that the productive expenditure of the body in general, having been carried out privately, has the character of socially useful labor insofar as it can be equated with an equivalent. The form in this mode of production where labor is recognized as socially useful is not simply through its concrete form but indirectly through the abstract character of labor.

Commodity producers don't see that they are exchanging the products of their labor because these are materializations of abstract labor of equal quantity. It is in the act of exchange that the value of commodities becomes apparent; they confront value at the moment of exchange, after the fact. This is what makes commodities appear as hieroglyphics, and they begin to question why these products have the attribute of being exchangeable objects. Only then do they ask what common attribute they might have, and it becomes clear to them that it must be the result of an action they perform. And it is only after confronting it in this way that the possibility of scientific knowledge begins to emerge (Marx: it is a late scientific discovery that commodities embody human labor: this is the attribute). But at the same time as they examine human labor, it still seems to them (if their consciousness does not transcend the form their social relationship takes) that this is a general attribute of human labor by nature: producing exchangeable objects. They remain prisoners of the very determinations of commodity production; they fail to see its historical character. Marx is going to look at what happens to individuals who are trapped within the movement of commodity exchange, how value is presented to them, the immediate manifestation that there is an autonomous and internal “invisible” regulation, and there he will unfold the fullness of the consciousness of commodity producers and make the external comparison with other ways of organizing the life of society.

[II]

[Answering a question about equivalential form, he ends up talking about abstract labor] There are three characteristics in which what the commodity is expressing at the equivalent pole appears inverted: use-value expresses value, concrete labor expresses abstract labor… and Jesús Rojo pointed out to me the other time we spoke that in the original German there is a different word for the case of social labor (in some translations it is for all 3 “expresses” and for others “is the form”); according to Jesús, in the original, use-value “ *expresses* value”, concrete labor “ *represents* abstract labor”, and private labor “ *is the form* of social labor”.

The most complete form of commodity fetishism is the fetishism of money. This is because it appears to possess, by its very nature, the attribute of expressing the value of other commodities, even though it doesn't immediately manifest any attributes of the things it represents. It is the product of private labor. The private labor that gold performs—in this case—has no inherent quality that would allow us to assume it has the property of representing human labor in general; it is concrete labor like any other, a useful object like any other. And yet it has this social attribute of representing value, which is manifested in the fact that it is immediately exchangeable for any other commodity, a power that no other commodity possesses. Therefore, the power to be the bearer of the social relation of its producers seems more like a natural attribute of money. The commodity at the equivalent pole, which has the attribute, by virtue of its materiality as a product of concrete labor, etc., of representing the value of the other, would appear to be the one that inherently possesses this fully expressed social power. But in reality, all it does is reflect that in the social relationship between commodity producers; the one at the relative pole is expressing that it is the way in which its possessor relates socially as an individual organ of the social metabolism process, and yet, since everything is presented inverted, it seemed that this is an attribute given to the commodity at the equivalent pole.

Commodity producers don't see the content of what they are doing, only the form. Then the belated question arises about what is being done, what is enclosed in this relationship, etc. […] Fetishistic consciousness is not a consequence of some abstract “human ignorance”: it is the form that the consciousness of commodity producers takes. It's not that they could choose not to do it, but they do: there is a necessity for them to see themselves in this way, entering into this indirect social relationship without bonds of personal dependence. It is not something imposed. The commodity owner doesn't ask why the commodity is an exchangeable object; what they ask is how much they will receive in exchange for their commodity. And this appears, acquiring, through the very movement of commodities, a more or less “stable” expression.

So, it seems that by nature, a certain quantity of commodities is exchanged for a certain quantity of money. What then appears is that these quantities of commodities and money have the natural attribute of being equivalent. It becomes clear to commodity producers that they are subject to the capacity of their commodities to be exchanged in a certain proportion for others, or, more

concretely, for money. It then becomes apparent that there is a natural law that regulates exchange relations and that imposes itself beyond the will of individuals. And that these exchange ratios are related to the amount of labor expended in producing the different commodities, and that this labor will be reflected in the exchange.

This is where not just the practical consciousness of commodity producers, common knowledge, but a scientific consciousness emerges, one that begins to question the determinants of this imposed normality. And when it begins to question this, what it will confront is, above all, this movement already underway, the already developed practical consciousness, the exchange ratios between different commodities... And instead of revealing that this is an expression of a historical form of social organization, what will appear is that it has the character of a natural determination. So, instead of highlighting that what is at stake is the private organization of social labor, what will become apparent is that this has nothing to do with the private nature of labor, but rather arises from the nature of things and of labor itself. This is where Marx will examine the historical character of commodity production by comparing it with previous modes of production.

Since in none of these cases is the work performed privately, taken in its pure form, what emerges are direct bonds of personal dependence. These bonds do not include commodity-mediated exchange relations, nor the fetishistic consciousness of commodity producers. When Robinson is used as an example, he is showing a social organ, a living subject whose organic nature is embodied in the various concrete forms of activity that Robinson has to perform. So, how does Robinson organize these things? Because he constitutes an immediate unity in his person, if one considers the possibilities of his different activities, he directly allocates the time he will dedicate to each of them, and then places himself within the society where he is no longer an individual abstractly represented as possessing an inherent social character, but rather directly within organizations of social labor based on bonds of personal dependence. Marx is not going to find the value of commodities by comparing them with previous modes of production, he is not going to discover why it is expressed as exchange value… What he is going to highlight using this comparison is: there is a historical form of consciousness that is based on the fact that relations between people have the form of relations between things (contrasting with the form of relations between people in previous modes of production).

Marx refers to a society where there is an association of free individuals working with collective means of production, each of whom understands themselves as an individual organ of the unity of this social life process. They then operate their individual labors as if they were a single social labor force. What he argues is that this mode of organizing the social life process is not what actually exists: on the contrary, what exists is commodity fetishism as the form of the relationship. The capitalist mode of production is characterized by individuals free *from personal dependence,* who relate to each other indirectly through exchange, and therefore their consciousness is subject to commodity fetishism, subject to a social power external to the individuals and objectified in their commodities. Marx contrasts this with a society of free individuals who, far from having a fetishistic

consciousness, possess an objective consciousness and recognize themselves rationally as individual organs of the social life process. But the possibility of the existence of this form of society is the development of a material base, of material conditions of existence, which are the result of "a long and painful evolution", and are not present in the immediacy of what is being observed.

[Javiera asks about the relationship between fetishism and alienation in the 1844 *Manuscripts, where religious forms also appear].*

Therein lies alienation, which is based on the idea that the product of labor belongs to someone else because it is not a worker. But in what we are examining here, a “non-worker” never appears. It appears that there are private means of production, but private property is not presented as the condition of production: on the contrary, production arises from private labor. I would try to revisit this by looking at this same point, but once Marx has fully developed his argument. We need to examine again what constitutes a free individual and their consciousness, whether such individuals exist before the commodity, and what form the consciousness of commodity producers takes, how they recognize themselves as organs of the social life process.

Regarding religious forms… In every religious conception, from the most primitive form, productive forces inherent in human subjects are viewed as if placed within them by an external power. At the same time, a series of uncontrollable natural conditions are seen, conditions that clearly play a role in social production, as if they had the power to act as subjects that impose themselves upon the limited capacities of personal subjectivity. This is because they are always forms of organizing the social life process where productive forces are absolutely limited and very strongly subordinated to natural conditions that cannot be controlled. Then, the subjectification of many of these natural processes appears, and at a certain point, identification with these subjectifications emerges, with the powers themselves seeming to spring from this subjectification.

So, it's clear that religious forms involve viewing one's own potential as if it were something external. In all of them, there is a recognition of the generic human being, whereby one recognizes oneself as a bearer of potential bestowed by ancestors [from generation to generation]. What then emerges are forms of religious consciousness where the condition of being generic is alienated from individual life; they only see their condition as mortal individuals, and the generic life that transcends them as individuals will only occur after they die. These are alienated forms of consciousness insofar as one can say: I am not fully recognizing myself in the determination of my subjectivity as an individual of the human race, but rather I am fixated on appearances. It seems to me that this generic condition comes after my individual life.

The concept of *alienation* is present in all forms of religious consciousness. Fetishism has a peculiar condition. It is not simply a mental product, but a material product of human action, which confronts the subject as if it possessed supernatural powers. The fetish, in classical terms, is a product of human action that is objectified in this thing, and it is the thing that holds the power. In religious

alienations, forms of fetishism appear, fetishistic images, but there are other religions that even prohibit the possibility of naming their god, and there it is more complicated to say that there is fetishism, because the god does not appear springing from human action, has no form, cannot be represented because it transcends all immediate forms of materiality. In contrast, in fetishism, power is attributed to the product. I stopped discussing religion about 60 years ago, so I can't be so rigorous. But it seems to me that if one wanted to delve deeper into religions, I have no doubt that they are forms of alienated consciousness, but I wouldn't dare say whether they are all fetishistic or not; one would have to look at the concrete development.

Ignacio's assertion that "the fetish is everywhere" requires us to examine whether this is immediately the case, or whether, because we live in a society where social relations take the form of a fetish, the reverse didn't happen, extending the meaning of the term "fetish" to everything. Otherwise, this process of inverting what is proper to a materialized social relation appears as if it were inherent to any form of social relation. Alienation in the commodity is the simplest determination of the consciousness of commodity producers, and we will find it in every instance of their consciousness. One may have confronted the fetishistic character but remain alienated in the commodity; one's social bond remains alienated in the commodity. One can say, "I know that what I am doing is producing my social bond, and my social bond dictates what I have to do," and I don't have a fetishistic consciousness, but one remains alienated in the commodity. There is a difference between an alienated consciousness that is fetishistic and an alienated consciousness that knows it is alienated and therefore does not believe that commodities inherently possess the supernatural power to subjugate it. It knows that it cannot stop producing commodities because it has no other social relationship, and that it is the commodity itself that will determine whether labor is socially useful or useless.

Marx will highlight the limitations of scientific consciousness in discovering what is at stake in commodity production as a specific historical form of organization of the social metabolism process. He will use as an example the case of David Ricardo, who presents this grotesque image of primitive fishermen and hunters exchanging their commodities, taking into account the interest rates in the London market at the time. Why does he consider Ricardo the epitome of this and not Adam Smith? Because Smith says: in the rude and primitive state of society, which precedes the accumulation of capital (Marx will mock the term "stock"), if hunting a beaver takes twice as long as hunting a deer, it is natural to exchange one beaver for two servants. But Ricardo adds: yes, it is natural that the products of labor should be exchangeable objects; But looking at what happens with the concrete determinations of prices in the capitalist mode of production, you'll see that commodities aren't simply exchanged in proportion to the amount of labor they embody, and that the proportions between the different capitals that produced the commodities and the profit earned by the capitalists—which he measures by the interest rate—play a role. Then not only does the issue of naturalization arise, but something even more grotesque: every product of labor is exchangeable in proportion to the amount of labor it embodies, but in addition, interest rates mediate that proportion. This is the absolute naturalization of

concrete forms of the capitalist mode of production. Then Marx has this irony about the construction of ideal, harmonious societies. Owen was one of the theorists who put it into practice, where labor within the society would have the character of directly social labor without all these discussions, with moral foundations and so on.

When he looks at this from Ricardo, he says: what does political economy do as a science? Even without reaching the full depth of analysis, they discover the substance of value—labor—and the magnitude of value—the quantity of labor—but what they can never explain is why value is never expressed in quantities of labor, only as exchange value. When one inquires about exchange value, one discovers the historical character of the commodity, and since political economy is the science of the bourgeoisie, it can never view its own mode of organization in the present as something historical and therefore perishable; it has to view it as something natural.

One of the expressions in classical political economy is that when Smith confronts money, and the question of whether value is expressed in quantities of labor, Smith says: one is accustomed to exchanging one thing for another. Actually, not even that: one is accustomed to exchanging one thing for money. And it seems simpler and more natural to him, then, to express value in money. And that is all the explanation Adam Smith can give, because one would have to respond that it happens because it is a product of the SNALdPaI, and the private organization of labor is a historical, not a natural, form. And Smith and Ricardo are the best representatives of classical political economy. Later, he will make the famous clarification regarding the difference between classical political economy and vulgar economics.

He is going to name William Petty as the father of political economy before Smith, and says: they are asking themselves why these are the relationships through which the unity of the process of social metabolism appears, this which for them is natural, which is the capitalist mode of production, and when one looks at this period of development of political economy what appears is that there is a need to discover what is at stake in order to operate on the indirect unity that is produced through the exchange of commodities, with the limitation that at the same time it must be viewed as if it were eternal.

In contrast, vulgar economics plays a purely ideological role; it has no scientific content. In another text, he refers to a " cameralistic science," about which he makes some comments similar to those he makes about vulgar economics, but which is also a prerequisite for working in public administration. In vulgar economics, the bourgeois mode of production is presented as the best of all possible worlds. Having had to endure the formations of vulgar economics through various forms, including neoclassical economics, I have come to the conclusion that it is not just the best, but the only possible world because it is natural. One can violate nature, but this is what exists. He then makes an observation about something that became the central tenet of neoclassical economics: that the material form of social relations in the capitalist mode of production serves as the basis for the construction of political economy. Marx speaks of some vulgar

economists, “not a few.” But today it is the universe of economists, where the determination of value is given by utility (use value) and scarcity, which are natural conditions.

With that, in principle, we have Marx's unfolding in this chapter. I'm going back to one of the things Marx considers when comparing the capitalist mode of production with other forms of society where commodities also appear. It's not the purity of the organization of the entire process of social metabolism through the exchange of commodities, but rather the persistence of bonds of personal dependence that are key to the general organization of the social production process. What will emerge is how the very possibility of discovering the condition of alienation, the particular expression of that alienation in a fetishistic consciousness, can only be a product of the full development of that objectified social relation, of the alienation of consciousness in the commodity. And the place where he will raise this—and I'm going to open up the question of whether free individuals existed before the capitalist mode of production—Marx will place it precisely when he looks at the situation Aristotle faced. […] He cannot realize that what two commodities have in common is the materialization of abstract labor (they were even in his time, or incipiently so in its development). But that presupposes that one can look at the human being as a universal subject [he repeats what he said in the previous session about the work of the master and the slave].

Fetishism cannot arise from the substance of value as abstract labor, since abstract labor is common to all forms of society. What is historically specific to it is that this abstract labor is performed privately and independently. In order to view human labor as a condition inherent to all human beings, and not just *certain* human beings, the first condition is that the consciousness of individuals look at itself and see that they are all equal human beings. Only in a society [like ours] can one conceive of the general human character of labor. Aristotle deserves credit for having discovered the relation of equality in a place where he could not see the substance of that equality; [Marx] will pay much tribute to Aristotle, but if a “giant of thought” stumbled over this concrete form, how could others like Bastiat, a “dwarf of economics,” not stumble?

Neoclassical economics, vulgar to its core, has a "moment" of objective knowledge, which focuses on the most immediate appearances, on the most immediate measurement relationships. It offers no explanation for why things happen; explanations are part of its ideological essence but clash with its own pseudo-ideological foundations. However, it is not simply a pure ideological construct. It possesses this notion of objective knowledge that is absolutely external but has an objective character. It clashes with the foundations of neoclassical economics, yet develops as part of it. The world's central banks are managed by neoclassical economists, so this supposed process of consciousness production must provide them with *some operational capacity. It is very similar to the concept of "*cameralistic sciences " (I could never find that phrase again).

Let me clarify: in *Capital,* there is no reference to the “free individual,” but rather to the worker who performs their labor privately and independently. The

first way a producer of commodities sees themselves is as an individual lacking direct social relations, absolutely independent, and who must act as such to organize their social labor privately and independently. [They repeat what happens to them if they don't produce something useful, etc.]

[…] In the capitalist mode of production, we must differentiate between a simple human need for use values and a human need that can be represented through value. One can summarize it this way: hunger is hunger, but from the perspective of commodity production, of how social labor is allocated privately and independently, the only hunger that counts, that truly exists, is the one that can be represented through money, “solvent hunger.” We must therefore differentiate between a human need to reproduce the human life process and a solvent human need.

If we look again at this producer of commodities (whom I'll call "Mr. Gnocchi" for simplicity), was quite misguided regarding his social relationship if he believed he had to produce mere use values. Because the first thing every future commodity producer learns in order to act as such is something else that Marx also refers to, if I remember correctly, in the *Grundrisse,* where he says: here, each person carries their social relationship in their pocket. If they have it, they can satisfy their needs for use values; if not, they can't. I use this [shows a banknote] as the expression of: this is my general social bond; if I have it in my pocket, then I count from the point of view of social consumption. This is the first determination of the consciousness of the commodity producer: they know that what they have to produce is value; it is the immediate objective with which they set in motion private and independent social labor; it is not simply the production of use values for others.

This commodity producer possesses the consciousness and will of a free individual. In analyzing commodities, we find that the commodity producer has complete control over their individual labor process, free from any possibility of control imposed upon them by another individual. Thus, the commodity producer is, above all, the bearer of productive powers in their labor that transcend those of any other use-value subject to bonds of personal dependence. The freer this individual is, the more they embody the fullness of the generic human condition with respect to their individual labor. They work for others and have no control over the social character of their work, over their condition as an individual organ within the process of social metabolism. They must produce use -values but have no way of cooperating with others. If one were to work with others, one would have to coordinate with them how to use the means of production. And here we have the full condition of social labor performed privately and independently. The producer of commodities will find that what carries his capacity to recognize himself as an organ of the social metabolism process (something socially useful has been produced and therefore he will be able to dispose of the product of the work of others) is presented to him as an attribute that is not of his person but of his commodity, an object that is a product of his work but alien to his person and that has the social attribute of linking him with others.

So, how is the free consciousness and will of the commodity producer determined? First, I must clarify something: what I propose regarding freedom is

my own opinion and at my own risk; I'm not going to claim Marx said it. […] When does the recognition of oneself as *a free individual appear in the development of human* history, and when is the term used as such? It appears with commodity production. Outside of it, even though it develops before the capitalist mode of production, all arguments about human freedom are characteristic of societies where commodities are produced because there are no longer any bonds of personal dependence. When one looks at national constitutions, the word "freedom" appears everywhere, and I can take it in reference to concrete forms: it is an inalienable condition. It is a term closely linked to commodity production.

In the case of minors, they are under the guardianship of a "parent, guardian, or caregiver." An exchange of commodities with a minor, who is not a free individual, is not legally binding; a minor cannot enter into contracts. When those with authority over the minor authorize them to buy and sell (in Argentina, from the age of 16), it is called "emancipation": emancipating a minor = making them free = allowing them to buy and sell. There are numerous concrete examples indicating that the attribute that appears as natural (it is part of a fetishistic consciousness), being free, always refers to the connection with the exchange of commodities. What about the accountability of minors? A minor cannot be expected to act with attributes that are proper to a free individual. Therefore, due to the concrete forms that social relations take, conditions arise in which one is not a free individual, yet is considered to have the consciousness of a free individual and is held accountable. In Argentina, now that the voting age is 16, from 16 to 18, unless emancipated, one is not considered a free individual, but is recognized as such for certain types of legal relationships. And all these terms appear as expressions of human freedom. In a year, we will see references to the free individual prior to the capitalist mode of production. The entire legal structure is based on the notion that individuals are free by nature. And this will be reflected in the difference between legal proceedings in the capitalist mode of production and in feudal society.

The legal fiction in the capitalist mode of production is that everyone is innocent and doesn't have to prove it; the burden of proof lies with the accused. Why this conception? The starting point is: a person is a free individual who acts according to their rights and obligations. When an accusation is made, it's: you didn't behave as a free individual. And this must be proven. When it's proven in a supposedly rational process that they didn't behave as such, then they're told: you don't know how to behave as a free individual, and therefore you ca n't be among free individuals. We're going to lock you up, not as punishment, but so you can relearn how to behave as a free individual. The reality of prisons is far removed from this discourse, but this is the formality. Depending on how far they have fallen short of the condition of being a free individual, it's determined that they need x years to relearn how to behave as such. In Argentina, life imprisonment is prohibited due to the recognition of the natural condition of the free individual: it is necessary to analyze whether the individual has learned anything, to evaluate them periodically; it cannot be assumed that they will not learn. Therefore, this condition is present in all aspects of [capitalist] society.

What was done in feudal society? An individual was given a red-hot iron to grasp. Because it wasn't a matter of a free individual misbehaving: either they were

in God's grace or they weren't. If they weren't, they were possessed. If they were in God's grace, He would heal the burns inflicted by the red-hot iron. One has to consider that with the filth that existed, it was highly unlikely that any wound would heal spontaneously, so surely all those who went through that process were outside of God's grace. What was the other method? They were loaded with chains and thrown into the river. If they floated, they were in God's grace; if they sank, it was because God didn't want to save them. That is the clear, immediate contrast between a society that sees itself as a society of naturally free individuals and a society in which no one is free, everyone is bound by ties of personal dependence.

Why is it that in discussions regarding prison sentences and the criminal responsibility of minors, but especially the image of prison as punishment, " punishment advocates " [39]can't offer arguments, only appeal to emotion? Because their argument would be to acknowledge that being a free individual means being a subject of indirect social interdependence through things. They can't justify this from a legal standpoint except with immediate claims that this individual is a danger and, instead of 5 years, they must be locked up for 15. Not because they will learn to be free by then, but because they must be released. They can't do this because it would mean dismantling the entire ideological framework that takes shape in that relationship.

[Responding to a question about an individual who believes himself to be outside of society] One cannot expect others to provide the use values one needs, nor can one expect others to tell one what specific, useful form to give to one's general capacity to work. One must behave as a free individual, and the problem is that one must draw from one's absolute personal independence one's absolute social interdependence. When the individual sees himself as outside the process of social life, he simply sees himself as abstractly free. That he believes he lacks indirect social ties… Nothing, he has stopped at the appearance of being *merely* free. No one is outside the process of social metabolism.

This illusion has the problem that one is born into a social relationship: biologically, one is the product of two other human individuals. The illusion that one can be outside of it would imply that one is an individual who has to go and live in a place where there are no other individuals, which is not very common. But let's suppose that one says: since I am free, I am going to grow my own food. First of all, one knows what food is because one learned it in the process of forming one's social being. But let's suppose that one hadn't had to learn. But to make one's food, one has to get the seeds, and where is one going to get them if one doesn't know how to produce them oneself? But let's suppose that one is going to say: I am going to eat grass, which grows in nature. But to cultivate it, one has to use a shovel: but the shovel is a product of social labor, so one cannot have a shovel that another individual produced. One could produce one's own shovel, but to make it, one needs an axe to cut down a tree trunk, but that is also a product of social labor.

There is no such thing as an individual devoid of general social ties. What happens—and this is one of the most brutal expressions of the capitalist mode of

[39]Those who believe that criminal law should punish. Its counterpart is legal guarantees.

production (and it relates to the difference between a general human need and a satisfactory one)—is that individuals whom the very general movement of the social metabolism process deprives of the possibility of exercising this indirect connection, starve to death. Against the fantasy of those who believe that going off to live in the middle of nowhere, fending for oneself, is an expression of the fullness of human freedom, Marx refers to Robinson Crusoe and says: these are the "Robinson Crusoe-esque " scenarios of political economy. It's the image that, since the individual is free by nature, in their purity they are isolated from the rest of the world. But Marx emphasizes: they have tools, they know how to do it, and "since they are English," he says ironically, they have an account book to record the things they are doing. They are a social subject. This purely free individual is the projection of the commodity producer under the guise of having no social ties whatsoever.

It's not common today to grow one's own food, spin yarn to weave one's own clothes, or have access to fuel. These things aren't done through personal connections. The remaining bonds of personal dependence are subsumed under the general social relationship, and the capitalist mode of production tends to dissolve them. Bonds that have an egalitarian, symmetrical character of personal dependence are the ones that limit universality. Sometimes I describe it as having "petty" bonds, even though it sounds a bit cruel. Because one differentiates between bonds of personal dependence and the general social relationship. One cares about what happens to those individuals with whom one has bonds of personal dependence, even if they are based on mutual hatred, as opposed to indifference toward the general social relationship.

In the *Grundrisse,* Marx makes this observation: there are three major stages in the development of human life. 1) One based on bonds of personal dependence. 2) Based on indirect social bonds, impersonality, and the objectification of social bonds. This stage is generally determined by the conditions for a third stage, in which there are no bonds of personal dependence, yet there are free individuals. We are beginning to examine the second stage; we will look at it in more detail later.

[Answering various questions]

If an individual were deprived of the capacity to relate to others (indirectly, within the general social relationship: producing commodities), if a member of society did not contribute to the production of commodities, the process of social metabolism would be crippled, and then no one would have any interest in having someone who does not participate in social production. It is clear that there is a mass of the human population of free individuals who *cannot* "exercise" this generically human condition of working, and who, due to the persistence of this situation, cannot even develop the capacity to work, and the social relationship itself is stripping them of their "humanity." There is still a long way to go before reaching that point. Up to this point, it seems absurd for a society to sacrifice the

possibility of possessing use values because there is a segment of the population that, despite being able or having been able, cannot participate in social production. Later, we will examine why this is a central and concrete feature of the capitalist mode of production.

Let's return to the question of consciousness. What the commodity producer must produce privately and independently is value. We then find that value is not a personal attribute of the producer but a social attribute of the commodity. In the very act of asserting himself in his fullness as a free individual, what happens is that his powerlessness to control the social determinants of his labor is manifested in this form; he is absolutely devoid of freedom with respect to the social character of his work. He has to produce value, which is alien to his person; therefore, this "free" individual has to act as an individual alienated in his commodity. He has to place his consciousness and will as a free individual at the service of the social powers of the commodity, which is not his person. He has to act as a consciousness and will focused on satisfying a power that is alien to him. I summarize by saying: his free consciousness is the form in which his alienated consciousness is realized in the commodity. He has to apply all his attributes as a free human subject as if they were attributes of his commodity: he knows that he has to produce value.

I'm going to use an expression that Marx doesn't use in this chapter but does in the preface to *Capital* and later on, which is that the free individual must act as *the personification* of their commodity. They must have a consciousness and a will that thinks only of producing value. From the point of view of the organization of their individual labor as an organ of social labor, they don't count as a person but as a personification: they acted correctly as such if they produced value. For example: When I look at the gnocchi cook in the restaurant (**10 *gnocchi* = 1 *shoe)*** and I look at the person who makes the shoes in the workshop, the cook might be named José, and the shoemaker María, but that's in terms of their personal relationships. From the point of view of their condition as organs of the social metabolism process, they act as Mr. Gnocchi and Mrs. Shoes: it doesn't matter what they are as people, but as the personification of their commodities. Therefore, the only way for humanity to fully assert itself in its generic human condition is to deny its human personality through its personal powerlessness to control the social determinants of its labor, submitting to a social power that is alien to its own human person. What is proper to its generic human condition is to be a historical subject (each generation produces the one that follows), and this is presented to it inverted as an attribute of the social powers inherent in the thing itself.

One can see the extent to which the power to assert oneself as a human subject, a person, is subordinated to having first asserted oneself as the personification of a commodity. If one has not produced a social use-value that carries value, then one cannot assert oneself as a person by consuming the use-values that are the product of social labor. For a father or mother, asserting oneself in the personal attributes of this condition means being able to feed children who cannot fend for themselves [40]. And this appears as a personal necessity. But within the capitalist mode of production, if one has not first produced value (and asserted oneself as a

[40]Or bring them nice toys for Christmas/Three Kings Day, for example.

personification to some degree), one lacks the capacity to buy the food to feed one's children and cannot assert oneself as a "good" person. One can be an excellent embodiment of value and still be worthless as a person, but the former is a condition of the latter.

Here I'm going to use an expression we have in Argentina: "He who has money does what he wants." The common image of freedom is doing whatever one pleases. In this image, it's clear that freedom isn't a personal attribute, but rather an attribute that money bestows. One finds in the common consciousness the recognition of this determination. Then economists, etc., come along and teach the individual that no, in reality, one is free by nature. One could argue, looking at the historical development of humanity, that free individuals appear at a certain point, and that now that we are finally free, we become alienated by commodities, and this is a misfortune because we cannot fully enjoy our freedom. And one can look at it the other way around and say: I owe my condition as a free individual to producing commodities; if I didn't produce them, I would have to have bonds of personal dependence. When we look at the relationship between freedom and alienation, the content of the relationship is alienation, and the form is freedom. Consequently, one concludes that freedom is a historical form of social relation. The producer of commodities is the first free human being. And the content of that freedom is alienation in the commodity.

One can observe that in Greece there were free individuals, independent producers of commodities, slave owners, and that the concept of liberty emerged. When did this concept "re-emerge"? With the French Revolution: "Liberty, equality, and fraternity" (which refers to personal bonds). Liberty: human beings are proclaimed free by nature. Equality: it arises because we relate to one another through the exchange of equivalents. Where does the discourse that all human beings have been created equal and free appear? Where do constitutions appear where all that appears is: this is a society of reciprocally free individuals lacking direct dependence, who come together to form society? This is the Robinson Crusoe-esque ideal reflected even in the term "Constitution": society is constituted because what is observed is that, by nature, these individuals have no bond with one another and agree to constitute a process of social life. The full expression of liberty appears at the moment of the birth of the capitalist mode of production. This is Rousseau, the image of the noble savage (free individual). With what figure does political economy begin with Adam Smith? In the crude and primitive state of society… […]. The image of nature before this was the grace of God: there are individuals with blue blood and with red blood, there is a difference seen as natural. And all the expressions of the condition of the free individual, its concept, appear as an ideological form proper to the capitalist mode of production.

The term "subject" contains this contradictory determination that one is a subject because one acts upon an object, yet is *subject* to determinations. There is no existence devoid of determinations. One can act upon a certain thing because one has the capacity to act upon that thing. But freedom appears conceived as the absence of determination. A crude example: I can declare myself free from the force of gravity, because if I were determined by it, I would not be free. I get on a plane that is 3,000 meters high, open the door, and jump out because I refuse to let

gravity dominate me. And I will only be able to enjoy for a very short time the discovery that my body is determined by gravity; it is one of its forms of existence. When am I *free* with respect to the force of gravity? When, recognizing the determinations of gravity, I put on a parachute, get on the plane, and jump, and I am free because I make gravity work according to my purpose, and I reach the ground perfectly unharmed. Therefore, I am not free when I ignore my own determinations; quite the contrary. I endorse an expression of Engels in *Anti-Dühring* that freedom is known necessity. If I know my needs, my determinations, I can fulfill them by satisfying my own end, and then I am free. If I do not know my determinations, I will act blindly and will not be aiming at the fulfillment of my end because I do not know what my end is.

The commodity producer cannot see himself as an organ in the process of social metabolism; he sees himself as an individual upon whom interdependence with others is imposed, [...] lacking self-determination. Social interdependence appears to him in the sense that others have the power to decide, through exchange, whether what one did freely was of use to them or not. This then appears as a mutilation of natural freedom; any limitation imposed upon me is external to me. But it is the other way around: I am an individual organ of an organic unity, only that as a commodity producer I cannot directly recognize myself in that condition and I see myself in reverse: it is imposed upon me. And applied to my own person, I have to act as a moral individual. If I were left free, what would I care about others? I am bothered by someone I pass on the street and I would shoot them because they are infringing on my freedom. But it appears to me that I cannot do so because it is morally wrong. And that is the concrete form of consciousness. Everything that appears to me "from the outside", every determination, is something that limits me in my condition as a free individual.

When one looks at a primitive community, what one sees is a community with distinct individual organs that are its members, not isolated individuals lacking any connection. When one looks at the capitalist mode of production, there is no community: what one immediately sees are isolated individuals. Why do they appear this way? First, because they lack direct personal connections. How then do they function as individual organs? Indirectly, through the production and exchange of commodities. Thus, their social interdependence appears as something external, not inherent to human beings, because this externality is manifested in a relationship between things within their labor process.

It's easy to say, "Those other individuals walking around in the corridors or on the street are all alienated, but I am a free individual; it's not true that my consciousness is an attribute of the commodity." And what we're looking at here is: "Yes, my consciousness is alienated in the commodity." And the problem is recognizing oneself as the bearer of this alienation; we're not talking about other individuals, we're talking about ourselves. And this is something to think about very calmly, though generally with considerable anxiety… But this is what we are facing. I'll leave a question for next time: What is Chapter I of *Capital about* ? In the next session, we can move on to Chapter II or focus on the concrete forms that commodity fetishism takes (e.g., the legal relations we saw naturalizing human freedom, vulgar consciousness…), for example, psychoanalytic theory. And another

question is what happens that from a work whose subtitle is "Critique of Political Economy", a conception is adopted that is "critical political economy" or "Marxist political economy" in which there are two main lines.

[Alienation and fragmentation of the sciences]

The problem of consciousness isn't that others have it and I don't: the problem others have is exactly the same as mine. This comes up frequently in discussions within organizations whose objective is immediate political action, where the argument is made: we have a revolutionary consciousness because we are free individuals, but others are alienated, and the problem is how to make others stop having an alienated consciousness.

Javiera: I think this confronts you with the anguish of who you are. I was a member of a Guevarist organization in Chile for many years, and those were years of activism where the message was that you had to go to the territories, to the shantytowns, to awaken consciousness. We were somewhat like the enlightened ones who were going to deliver the programmatic guidelines, the policies, very much based on this idea of Lukács's, of going to generate class consciousness. When I read Marx and at the same time this little text of yours from *Knowing Capital,* this idea of "We are free because we are alienated" was a real eye-opener. It was obviously the confrontation with the anguish of political action; that's what Marx confronts you with all the time in *Capital,* your own political action, how you advance in it and recognize yourself in that social relationship.

JIC: When one becomes aware of one's alienation, one has advanced in freedom because one now understands a determination that fetishistic consciousness does not. If I understand my need (which is not simple) in the form of possibility, as a need to be realized, as it exists in the present, and I advance in the knowledge of my determinations, I can govern my actions more freely than when I was unaware of any determination. In this case, knowing oneself as the bearer of an alienated consciousness—because this is how one produces oneself as an organ of the social metabolic process—ends fetishism: I no longer confront my product as having the *natural power* to dominate me. This does not mean that I am not alienated, but rather that I am alienated and recognize myself in my alienation. The capitalist mode of production can never cease to have a free consciousness because it is alienated, but it can cease to have a fetishistic consciousness. And to discover the fetishistic character of consciousness, an objective consciousness is necessary. There is no doubt that I am subject to the commodity. So I can think that this is how it is by nature and I can't do anything about it, or I can say: no, why am I subject to this social power that is the product of my conscious and voluntary action? What is the determination of my subjectivity? Why can I confront that? Does the fact that I question it have to spring from my alienated consciousness?

What have we seen so far been about? Within Marxism, there are several approaches. One is that *Capital* is a book of *critical political economy,* despite the title stating that it is a *critique of political economy.* They are not the same thing because political economy is the object of the critique, and the object of "critical political economy" is not political economy. I will summarize this in two points. Althusser's argument appears very clearly here, stating that there is a pre-Marxist, Hegelian Marx who speaks of alienation; and there is a "Marxist" Marx who deals with political economy. He even goes so far as to say: the first section of Volume I

should not be read (this is in his preface to a French edition); it should be skipped because otherwise, nothing will be understood. In *How to Read Capital,* he says that it is a book of economics, which we have read up to now as philosophers. And in response to this, and almost contemporaneously, Sartre's argument appears, saying: the young Marx was concerned with alienated consciousness, he spoke of alienation, etc., and due to the bad influences of Engels he left that aside and now he speaks of economics, he no longer speaks of consciousness.

Tomás: Both make that distinction, the young Marx and the adult Marx, in relation to the historical "discovery" of the young Marx with the publication of the *Manuscripts.* But they do so from radically different positions: anti-humanism VS humanism.

JIC: One might wonder why there is a historical moment where this fragmentation and the image of two distinct Marxes emerges, but I used them mostly to highlight the contrast of the positions that appear.

What challenges do we face with these approaches? When we start with the commodity, it seems to refer to what was the core of classical political economy. When he begins the analysis of the commodity and starts with use-value, the structure has a very different but similar development to Smith's, because for him too, wealth above all (although he doesn't speak of the commodity as its form) is the mass of use-values that a society has at its disposal when producing it. And after examining that, at one point he says (what was called "Smith's paradox") that there are things that have a high use -value but a low exchange-value, and other dispensable things with a very high exchange-value. So, in Smith, the structure is also present (although he naturalized commodities, private labor, the consciousness of the commodity producer.[...]), but he has that point, and one can recognize it in Marx, where he says: we have already looked at all the use-value, but *in this society,* they have this other attribute (that which for Smith is natural). Then comes the analysis of exchange-value and value. And it seems to continue with the theme of political economy.

Once that development is complete, with money, etc., the question arises: what is the consciousness of these individuals who essentially produce commodities? We said: consciousness is the way in which each individual governs their actions, recognizing themselves as an organ of the social metabolism process. It is: how each individual carries their capacity to know themselves as an individual organ of the social metabolism process and, consequently, to govern their actions as a social subject. We saw that the commodity producer, in order to recognize themselves as such, cannot look at themselves because they have no direct social relationship; they are an individual free from bonds of personal dependence. It is not in their person: it is in their commodity. One looks at it and sees that it produced value and acted "correctly" as an individual organ of the social metabolism process.

Now we return to the beginning of the discussion, the first paragraph. What it's looking at is *how one's consciousness operates;* it's talking about the subjectivity of the commodity producer, not an abstract economic relationship, a topic of political economy. The critique of political economy is that it naturalizes free consciousness,

and therefore one cannot recognize oneself in one's concrete determination as an organ of the social life process. So, one finds that from the outset, one was asking what form one's consciousness and will take, and consequently, what form one takes as a historical subject. One sees that the economic relationship is the way in which one's social bond operates, and consequently, how one governs one's own conscious and voluntary action. Now we recognize that we are taking a small step forward in our freedom because we know ourselves to be alienated, and so we are transforming ourselves, developing in our own condition as historical subjects. Therefore, it is not a book about economics but about our own subjectivity (as we saw in Session 1).

[…] Here we find the fullness of alienated consciousness, and consequently of its form as free consciousness.

Gonzalo: Why does Althusser separate the adult Marx from the young Marx in a fragmented way, when perhaps Marx at the time implied totality? Why say whether *Capital* is a book of economics or a book that questions subjectivity?

JIC: I propose this. When one questions one's subjectivity, one is questioning the entirety of one's existence as a living subject, and not only as an individual living subject, but also one's generic existence. When one asks oneself to know—and one always does, even if it seems distant—one is always asking oneself what potentialities one has with respect to the object upon which one proposes (let's take it abstractly) to act. Knowledge is always knowledge of one's own subjectivity, which is in turn knowledge of the whole. This does not exclude examining the form that the exercise of one's subjectivity takes, the way in which one realizes one's social being (when one speaks of subjectivity, one is speaking of one's social being), in what are called "economic relations," "political relations," etc. One is always speaking of one's subjectivity.

One can encounter (as we will see much later) a place where disciplinary fragmentation appears starkly. I refer to Marx's argument in the 1844 *Manuscripts,* where he speaks of the fragmentation of science and says: "Someday there will be only one science, the natural science of humanity, or the human science of nature [41]." In our first meeting, we began by examining the immediate forms of our action, and, discussing what to do, we confronted the commodity. And now we see the extent to which it is within our "what to do." And we never jumped from one discipline to another; we were always looking at the unity of our condition as subjects. This fragmentation is inherent to the science of the capitalist mode of production, which fragments everything. Why does it have this need?

When one speaks of a fetishistic consciousness, the need to fragment immediately arises, because if I don't, I discover myself trapped in my fetishistic consciousness. If I fragment and start with Chapter IV, I will never discover that alienation arises precisely in the fullness of my condition as a free individual, devoid of all ties, even cooperation with others. When one starts with Chapter IV, it may seem that the alienation of the worker is a consequence of the existence of

[41]Marx quoted: “One day natural science will be incorporated into the science of man, just as the science of man will be incorporated into natural science; there will be a alone Science ".

capital, but what Marx will emphasize is that alienation has nothing to do with wage labor: it has to do with private labor. What we examine in the first chapter is the purity of private labor, and alienation lies within it.

So, these issues of fragmentation, of saying, “This is about consciousness and has nothing to do with what follows” (or vice versa), are ways of reproducing a consciousness that stops at appearances, that narrows its object and doesn't go beyond the various appearances that object presents. If I skip this first part, as Althusser does, and look at the worker, and the worker no longer has full control over their individual work, it seems to me that they could be a fully free individual, but their natural freedom has been taken from them, and now alienation is a problem of wage labor. But if I start from the beginning, natural freedom doesn't exist. What exists is a historical form of social relation that has the form of freedom, whose content is alienation. The problem isn't overcoming the capitalist mode of production by rescuing a natural freedom that is dominated. In Althusser's view, although he doesn't say it this way, when he speaks of the "ideological state apparatuses," he means that the child is born with a naturally free consciousness, and is then conditioned to serve capital. No, the child isn't born with a naturally free consciousness "disturbed" by this process; rather, the child is born with the consciousness characteristic of a commodity-producing society. The child has no idea what a commodity is, nor does the child participate in its production process, but the formation of their consciousness is that of a commodity producer.

Gonzalo [on Althusser's guide to reading Capital] [...] It was written in 1969 [42], in the heat of the events of May '68 in France. I found it interesting to consider, following the line of fragmentation and unity, how these historical events are sometimes described. Because it's common to suggest that in these events there was, on one side, the working class, on another side, and on yet another, the philosophers, without recognizing themselves as the working class as a whole, those who sell their labor power.

JIC: [...] There is one issue I'm going to highlight in contrast to what an objective representation, typical of current science, would imply. I'm going to take the concept of the form of value. We looked at commodities and said that none can express its value on its own; it has to express it in quantities of another commodity; and that none is immediately exchangeable; first, it has to prove that it has value. We began to look at the form of the equivalent and arrived at a point where we found money, which is a commodity—gold—that, as such, has no more attributes than any other, and yet is immediately exchangeable for any other. I look at gold and I don't see a magnitude of value, but I do see value. In a logical representation, in the simplest model, that should have led us to say: well, the observation we made at the outset was false; it's false that commodities are not immediately exchangeable because there is at least one that is. That's what Hume would say about the black swan, so the theory that swans are white is false. Here it's the other way around: we were unfolding that simpler determination that couldn't be expressed, and when we were unfolding it and accompanying the movement it has, we reached a point where we said: it is expressed like this.

[42]It was actually published in 1965; the 1969 edition was the FCE translation. Perhaps it refers to *Ideology and Ideological State Apparatuses (Notes for an Investigation),* from 1970.

And we will see this throughout the entire process as we move forward: something that initially appeared to us and that we understood (we weren't deceiving ourselves) in its simplest form, as we progressed we saw how it took on concrete forms that are the opposite of what appeared in its simple form. And (this is premature) if we had stopped at the first step and said that up to this point it's clear, no commodity can express value on its own… we would have stopped at an appearance, we would have turned this development of our knowledge into an abstraction. The same, in reverse, would have happened if upon reaching money we had taken the step of asking: what is money? It is gold, which is immediately exchangeable. And if we had stopped our analysis there, we would have stopped at an appearance.

The problem is that in analysis, one must arrive at the simplest, most specific form of what one intends to unfold, but then one must carry out the unfolding. If one stops where one finds the simplest form, all that concludes is that this simplest form only exists in its concrete forms, which will only construct an appearance, remaining stuck on it. This happens either because one stopped the analysis prematurely, or because one stopped unfolding the necessity found in the simplest form before the point at which one has to account for the necessity of the action itself. Because one is always organizing one's action, the point at which one stops is where the organization of the action is completed, which remains subject to the fact that one stopped at an abstraction.

Jhova 's question about Marx's reference to "natural history," like Darwin's, which dealt with the evolution from simple to complex forms] I associate the reference to a human natural history in the prologue of the 1st edition. It says [with corrections by JIC to the 21st century edition]:

> My point of view, according to which ~~I conceive~~ [I confront] the process of development of the economic formation of society as a process of natural history […] [43].

Human beings are a form of nature, just as all living things are subjects of nature, and this is similar to the references in the *Manuscripts* to human natural history. Because human life is a natural process, which is another issue that caused quite a stir in some workshops. But everything we are doing here involves processes of a natural nature, which we differentiate as belonging to the human race as social processes, but they are natural (as are thought, speech, etc.) of a historical subject—who consciously and voluntarily produces himself from one generation to the next. Therefore, there is a risk of attributing to natural forms the conditions that are proper to human processes (to social forms) and vice versa, attributing to social forms the condition of being abstractly natural.

When political economy begins by stating that it's natural to exchange one beaver for two deer, that's a naturalization. Now, this process of human life is a natural process that takes the form of a social relationship. That's why I refuse to use the term "social" for animal relationships, even though they are relationships between individuals. But one can naturalize in two ways. One is to attribute to it

[43]The quote is found in the prologue to the first German edition of *Capital.* In the Fondo de Cultura Económica (FCE) edition, it appears as a “historical-natural process”.

what is the *historical process. The natural* development of human beings, and to view it as if it were an abstractly natural process, not subject to change by conscious and voluntary human action (because animal action also transforms conditions, but not consciously). Then there is this natural process that takes concrete forms that one identifies as social, and there are the links between individual organs of any animal species, which have a natural character. With the development of what occurs on the Earth's surface through the action or omission of human labor, these natural characteristics are transformed by human labor. A dog is the product of human labor, of our condition as historical subjects. But what happens to the dog I will refer to as a natural process, and what happens to the human being who domesticated the dog is a process of a social nature.

[The story is mentioned that Marx supposedly proposed dedicating Volume 1 of *Capital to Darwin,* but this is a mistake [44].]

Arturo: One thing I see Marx criticized for a lot is this idea that we are historical subjects. I said it once in class and they called me an "evolutionist," as if I had a linear character detached from all social changes and therefore naturalized all of that.

JIC: I've been told that countless times. That way of looking at things is (in very abstract terms) the need to nurture the image of an abstractly free consciousness, to cultivate it. To say that each human generation finds itself and produces its life from a world that has been materially transformed by the previous generation is an observation, not even a line of reasoning; even immediate observation can make that clear. To think that this is deterministic is characteristic of the capitalist mode of production; it's thinking that there is no social being, that individuals are abstractly free, and so on.

Arturo: Marx said that men make their own history, but under conditions not of their own choosing. Many people forget that part; they believe that we are masters of our destiny and shape it as we please, which is indeed a denial of history. What I said was that they told me that this is naturalizing history. I had a professor who said: social phenomena must be explained, as Durkheim says, with social explanations. And that by introducing Marxism and the relationship between man and nature, one is focusing on nature and not on society, and so they criticized Marxism for being a mixture of nature and history. So I brought up this anecdote because I think it's something very widespread in academia.

JIC: It is absolutely widespread.

[Xatan asks about the question of determinism. JIC refers again to simple and complex necessity, Laplace, Hume, positivism...]. If we look at when the cult of indeterminacy arose, there's an expression that struck me many years ago. Throughout the reign of scientific positivism, in the most extreme cases, it was said that everything is a simple determination, but positivism also emerged with the possibility, yet it is determined. When did the fear of determination appear?

[44]See: https://www.lahaine.org/mundo.php/darwin-marx-y-las-dedicatorias .

Positivism is the expression of the development of the sciences within the capitalist mode of production. From positivism springs all the technical development of production and so on. Before the development of capitalism, Hume had already written about the swans, and it's quite remarkable because Comte (the father of positivism) read Hume and couldn't understand what he was saying about the form of knowledge that positivism would propose not being able to account for necessity. When did that which didn't exist for science begin to be the central problem of science? It appears in Popper.

What is he reacting to? Popper says: objective knowledge is impossible; all that can be done is interpretation. Postmodernism then develops this idea further and accepts it, and so on. Popper writes this when he observes the Soviet Union, which, from his perspective and that of the USSR itself, represents the overcoming of the capitalist mode of production. What horrifies him? That science was indeed guiding the actions of the working class, and that science itself indicates this is leading to the overcoming of the capitalist mode of production. And if it says this, then it can no longer have certainty; all possibility of understanding the determining factors must be eliminated. What must be done? It must be called "determinism." But it isn't determinism: scientific socialism is the objective knowledge of the determining factors of the working class as a historical subject. And that is where the horror of determination comes from. Why is it opposed to utopian socialism? Because now it's not knowledge based on an abstract, free subjectivity, but rather it has an objective character, explaining why one has the subjectivity one has. And this frightens the ideological production of the capitalist mode of production, which begins to claim that any claim to objective knowledge is a claim to oppress others. This was very prevalent in the 1990s and remains so today [45].

[Xatan insists on why the working class will not want to maintain capitalism. Xatan explains it in terms of morality.]

The explanation of why the working class will overcome capitalism is contained in all of Volume 1; there's still more to come. We ask ourselves about our actions, about our "what to do." And what we've found so far is conscious and voluntary action. When one begins to question the determinations of one's actions—that is, to know—that is, the simplest determination of our subjectivity, we arrive at the commodity, at a consciousness that is free because it is alienated: it confronts its own product as a power it cannot control. If there were a will that did not spring from this simplest determination, it should have appeared earlier. Everything that can spring from here onward from the specificity of human subjectivity in the capitalist mode of production, as the bearer of its overcoming, arose from here. Otherwise, we would have had to have found another general social relation, and there isn't one. Those would be personal bonds, but here they are subject to this impersonal relation. If the potential to overcome the capitalist mode of production is not present in this, we are doomed, because our will will never have the need to confront and overcome it.

[45]Darío Sztajnszrajber is appointed and JIC says: "Nah, but that one is for internal use."

Xatan: What I don't understand is why he has the need in the first place.

JIC: The answer is: let's see. Up to this point, we can't even say that we need to overcome it; quite the contrary: all we know so far is that we will produce commodities indefinitely. Let's see if at some point we find that the capitalist mode of production can be revolutionized and produce revolutionary subjectivities—this transformation can only take concrete form in the actions of individuals with revolutionary consciousness and will—or if it is powerless to transform itself in a revolutionary way. Up to this point, what we can say is: only from this simplest determination can the possibility, the necessity, of overcoming it arise.

Xatan: We cannot separate ourselves from capitalism.

JIC: *We are* capitalism.

Xatan: What we can't say is that the transformation of capitalism is a direct product of capitalism, because it seems to me that it distances the individual from their potential to transform society. I would talk about a series of other issues I mentioned earlier to explain why the individual takes conscious action to transform society into something entirely different, including the context in which they find themselves, that this "free consciousness" is a product of the alienation of commodities, etc. Clearly, this action takes place within capitalist society…

JIC: So, let's see where this is leading us regarding the development of our social being. Up to this point, this is what I've found to be the reason for my actions. I understand that you're proposing morality as the reason for action. What we'll do in the next session is see that morality is a form of social relation specific to the capitalist mode of production; it's the form that free consciousness takes when it can't recognize itself in its alienation, but is nonetheless alienated.

Xatan: I disagree. But I'm not talking about morality in the abstract; I conceive of it with specific characteristics, that is, the morality of human thought, of human reason.

JIC: Let's look at what morality and ethics are, and when and where the concepts of morality and ethics arose.

Xatan: The concept and morality are not the same thing; it does not imply that morality only existed in that era.

JIC: So far in this development, it has not appeared.

Xatan: I believe it is implicit in Marx.

JIC: Marx, in *The Holy Family,* says at one point: it doesn't matter what this proletarian thinks he should do, or what the proletariat as a whole thinks he should do. What matters is what the proletariat *is going to do for what it is.*

Xatan: But it doesn't explain what it is.

JIC: The question is what it is, what is the social being? And let's continue looking at the social being.

[Morality and ethics]

[He recapitulates the determinations of the practical consciousness of the commodity producer that we have seen so far: the power that governs his personal determination is not personal; he sees it as an external power, an imposed social interdependence that limits his condition as a free individual.]

The only way for absolute interdependence to emerge from absolute independence (since even each person's consumption depends on that of others) is to confront this interdependence that appears external to them. What they will do is produce their subjectivity by incorporating, over what was presented to them as their condition of being a naturally free individual, a social interdependence based on what ought to be: the moral *imperative.* A free individual doesn't go around killing other free individuals, doesn't steal, etc. Therefore, in their own consciousness, this way of seeing themselves will operate: I am a free individual and I do the things that are proper to free individuals. It not only appears as an "ought to be" that each individual carries within themselves, but precisely because it is a social bond that appears determined externally to the individual's natural freedom, it appears as morality, as an external, objectified existence to which the human being, in their condition as a free individual, conforms.

I am therefore a moral being, and I behave toward other individuals in a way that constitutes a relationship in which there are rights and obligations. Morality tells the individual what rights and obligations they have. And the most expressive popular expression of these determinations of conscience is the image that one person's right ends where another's begins [46]. It expresses the impossibility of seeing oneself as an individual organ of a collective because one must see oneself as an individual devoid of ties to others. What will emerge is how the relationship is established: what one must do with respect to others is adjust one's conduct as a free individual to this impersonal bond that corresponds to that of commodities. Again, because it's not that one chooses whether or not to have morality: the individual has morality, and those who do not behave morally will find their social interdependence openly imposed externally in the form of justice. Because they did not know how to behave as a moral individual, they lost their natural freedom and must be separated from society until they recover their condition as a free individual aligned with morality. Morality then takes the form of a general statement of this moral imperative, which is ethics. Ethics, projecting this conduct onto individuals, is ideologically represented as: well, this is what a human being is by nature. […]

Personal freedom, independence from other human beings, arises from having full control over one's own individual labor, and only the commodity producer possesses this. And the universe of commodity producers only develops within the capitalist mode of production. This is where all the discussions about ethics emerge, discussions that already appeared in classical Greece and Rome where there was some commodity production, but which fully materialize where the capitalist mode of production is developed. Rousseau appears: the human being in

[46] I have heard it as “The freedom of each individual…”.

nature is a free individual. There are several interpretations: 1) unfortunately, he renounces his freedom and enters into bonds of interdependence; 2) as a free individual, since he has no limits, *homo homini lupus (man is*[47]a wolf to man), and in order to control himself he needs to enter into this bond that limits his condition of freedom. These are the two forms of consciousness characteristic of the capitalist mode of production, which represent what the human being is, and it is said that this is by nature.

When one examines Smith's view of a rudimentary, primitive society of hunters trading, the problem arises of what constitutes fairness in that exchange. Smith argues that it is human nature to satisfy one's own self-interest by also satisfying the self-interest of others, due to a natural inclination. This underlies the entire legal system, except in certain areas where, faced with practical conflicts, the prevailing view is that only the law matters, that it is the law simply because it is the law. But the ethical foundation of law, the philosophy of law, begins with natural liberty.

Xatan: Do you understand that morality has its origin in this dissolution of the bonds of personal dependence?

JIC: In other forms of society where bonds of personal dependence prevail, the first thing that happens to the individual is that they can never see themselves as free because they are not: they immediately know themselves to be an individual organ of a community, a bearer of a social bond. It doesn't seem to them that this social interdependence springs from outside themselves. If we are going to call something "moral" that is proper to a free individual... Because that's also how discussions in ethics arise: it's a problem of the free individual, of someone who can buy and sell. That's why minors couldn't be judged morally; they aren't considered free, although individuals can be forced to be judged as "somewhat moral" when they reach certain ages. From the point of view of legal philosophy, lowering the age of criminal responsibility is an aberration.

Xatan: I, at least, separate morality, even though it relates to the legal system where more general moral ideas are reinforced, but I understand morality as something beyond legal relationships. And I don't understand why a slave wouldn't have conceptions about what is right or wrong, etc.

JIC: In those societies, the issue doesn't appear as a moral one. Historically, morality or ethics are discussed when addressing the conditions inherent to free individuals. The individual in a social form where relationships of personal dependence prevail, as the bearer of those dependencies, sees themselves as an individual with the potential to do this or that, but they aren't judging it morally; they are recognizing their condition as an immediately social subject. It's not seen as a moral problem, but rather a religious one in many forms of society.

An anecdote: when I was a child, there were mandatory religion classes in primary school, and those of us from non-religious families had morality classes.

[47]Reference to Hobbes.

But I see it this way: there's a religious conception that dictates what an individual should do, but that individual isn't a moral subject; they're a religious individual who sins, who fails to live up to their status as a creature of the divine. It's a different way of governing action, which has a different name in a specific historical development, namely the capitalist mode of production. Why would we project the concrete way in which the capitalist mode of production governs individual action backward or forward? Wouldn't that be attributing the characteristics of the mode of production to human nature?

[Xatan asks why it wouldn't be moral, if religion has a concept of good and evil]

JIC: I have two comments. The idea of good and evil leads me to think about naturalization. You said: there was a belief in spontaneous generation until it was discovered that this wasn't the case. The problem is that this is a belief that existed in human beings regarding how life was generated. It's not that there was spontaneous generation before and now it's generated in another way. Before, there was one form of social relationship, and now there's another form of social relationship. The question is whether I have to use the name of a social relationship that is specific to a society to refer to… I would never frame it as "good or evil" but rather as obligations and rights. And another thing: it's clear that the social division of labor arose with humanity: that some individuals would give the product of their labor to others for consumption, and vice versa. Because it's clear that in hunter-gatherer societies, hunters give the product of their labor to gatherers and vice versa. And on that basis, one constantly encounters arguments that the production of commodities is the natural form of organizing human life because there has always been exchange, a *propensity to trade.* And this is found in neoclassical economics: the problem in every mode of production is how to allocate scarce resources to satisfy multiple ends. But it's the specificity that one has to look at. I don't want to convince anyone of anything; each person has to look at it and confront it as they see fit and see where this idea leads.

Javiera: I have five years of training in non-capitalist societies in anthropology. There's a classic example of exchange by Marcel Mauss, the gift, where different tribes on an island had to exchange certain objects. The tribes knew that if they gave something and the others didn't reciprocate, it would be considered an offense, and there wouldn't be any exchange from then on. Indeed, what you said last, Juan, about specificity, beyond the fact that both knew they had to fulfill that exchange, one could say that a "morality" existed between them, but that wasn't carried by the individual. It wasn't something personal; it was an attribute carried by the collective. It was Tribe A that was left without a relationship with Tribe B, not a specific individual. So, perhaps, Xatan, we should consider what kind of society you're imagining because otherwise, every society before capital had a morality… But which specific society? In this example, morality and ethics were not carried in the subject; there was no free subject as the bearer of that morality who was going to be associated with that collective.

Xatan: I understand morality to be a set of collective thoughts. When I say it's present in all societies, I mean I can't imagine a society that doesn't have a set of ideas that have been "collectivized" in some way. Morality, the set of ideas about

what is right or wrong, even without a legal framework or an organization to enforce it, is practically intrinsic to human beings; it doesn't originate independently from capitalism.

[Psychoanalytic theory]

The other step I would suggest is to briefly examine how psychoanalytic theory views this. Freud has several works where he explores different aspects of subjectivity, which he considers human subjectivity. He posits that the primary drive in human beings is pure instinct (or instinct), and that this is the pleasure principle: satisfying all the individual's desires. If we compare this to the concept of the commodity producer, it's a view of human beings as free by nature. What problem does this individual face who pursues the pleasure principle without limit? *Externally,* they clash with reality, which places limits on their freedom to satisfy their desires. Faced with this clash, where social interdependence appears external to human subjectivity, this subject, who was pure instinct (and whom Freud calls the *id)*, must limit it by incorporating the moral *superego into their subjectivity.* The superego tells the individual, who wants to unleash the pleasure principle but cannot because of the reality principle, what is right and wrong, what they should and should not do.

The way Freud synthesizes this idea of a free consciousness, because it is alienated, is by viewing the *ego* as a third party, because he cannot see it as a movement whose form is the opposite of its content. Therefore, he views it as three psychic instances. There is the *id,* pure instinct residing in the unconscious; the *superego,* which is the moral *imperative;* and the *ego,* which must manage the constant struggle between the *id* and the *superego.* What is being represented as inherent to human nature? That starting point of: "I am a free individual by nature" is the *id* with its unrestricted pleasure principle. The superego is my alienation; the capacity to govern my actions is not inherent to me; I must incorporate it and restrain my *id.* Subjectivity is a constant contradiction between these separate instances. And he says, in a humorous and ironic phrase: poor *me,* who spends my time negotiating between the *id,* the *superego,* and reality. So it is once again the image of an alienated consciousness presented as if it were a natural condition.

There's a point where Freud says: this is what happens to the individual, but why is it like this? Then, recalling Popper's ideas, what had to happen to the subjectivity of an individual like Freud, who saw that what was coming was Nazism after a war of ferocious brutality? He asks himself: why does human beings have this form of subjectivity? And he seeks the explanation through classical economics. The explanation originates in a myth: just as for Smith there is a crude and primitive state of society, for Freud it is the *primitive horde* in which the father of the horde subjugated his sons [48], who appear as brothers, and these sons generate hatred toward the father and kill him. And from that moment on, to protect themselves, to be able to inhibit that "natural" desire to annihilate the other, they resolve to set a limit, which is external to what each of them would do

[48]And he monopolized the females.

on their own. And that limit is the development of culture. The origin of consciousness is then explained in a mythical way. This naturalization is what Freud says when confronting the Soviet Union in *Civilization and Its Discontents:* he says he cannot criticize the communist economy, that he cannot investigate whether the abolition of private property is timely and appropriate, "[...] but on the other hand, I can recognize its psychological hypothesis as a vain illusion. It is true that by abolishing private property, one of the instruments of human aggression is removed, undoubtedly a very powerful one, but by no means the most powerful of all. However, nothing will have changed in the differences of power and influence that aggression exploits for its purposes. Nor will its essence have changed. The inexhaustible intrinsic tendencies of human nature would still follow them [individuals in this society]." Thus, the consciousness specific to the capitalist mode of production appears as the natural form of human consciousness.

Freud takes the Viennese "petit bourgeois" of the early 20th century and says: this is humankind. Just as Smith takes the English capitalist but then disguises him as a baker, brewer, and butcher (independent producers of commodities) and says: this is humankind, and there has never been anything else in human history, nor can there ever be. It was rare for factory workers to have access to that. The Viennese petty bourgeoisie is a mixture of merchants, intellectuals… The Catholic individual, as a producer of commodities, has a strong internal conflict: I have to do this as a free individual, but I shouldn't because I clash with others. So, how would the Catholic deal with his anxiety about the struggle between the id and the superego? Through confession to the priest. All those contradictory thoughts are not seen as a question of whether I am free or not, but rather of whether it is a sin or not. The priest gives him a penance (to pray *x* things), the individual prays and his anguish, although it does not disappear (because it is typical of an individual who carries an alienated conscience), will be lessened.

Let me take an even simpler approach: an individual who is distressed and wonders what to do to alleviate their anxiety. They go to a healer and are told, "You've been given the evil eye, and you have to do these things to counteract it." And the individual does them, and if they have faith in the healer, their anxiety is relieved. Now, we have a small business owner who isn't illiterate, and being told they've been given the evil eye, etc., isn't how that individual can identify with it and reproduce the alienation (I need someone else to help me transform my subjectivity because I can't resolve it myself). They go to a priest, and that's not the right approach either. Psychoanalysis is the appropriate one for a consciousness accustomed to "intellectual" work. And Freud explains this very clearly. What he says is: when one undergoes the process of analysis, it's a rational process. But the cure doesn't arise from the rational process: this is the vehicle for the cure. The key to the cure is transference, an affective bond between the analysand and the analysand. This implies that the psychoanalyst is recognized as possessing something external to the individual: the capacity to intervene externally so that the individual governs the reproduction of their alienation, but by framing that alienation not as a "negative" figure but as a "positive" one, thus transforming themselves. It is a way for a subject to develop their subjectivity, which is characteristic of the capitalist mode of production and, to a certain degree, at certain moments, and in certain forms of that mode.

Lacan begins by criticizing this myth, stating that it is not an explanation. What he poses is: Where does human nature end? Human beings are prisoners of language. This is the development of the objectification of thought, which is inherent in the development of the productive forces of labor, and it appears as if it were the negation of that natural human condition. And now the human subject is a prisoner of its own production, of language as an absolute, even though it is the means of coordinating social labor. And this language is the language of the law. What law, what is the law? I am skipping over many intermediate steps, but if I jump to the next one, what emerges is that the problem is not the omnipotence of the subject, which is the image of the individual abstractly free by nature, devoid of all determination. The problem is that the individual is subjected to the omnipotence of the *Other.*

Who is the other? It is the one whom the commodity producer confronts as the bearer of the capacity to recognize whether what they have done is socially useful or not, whether they acted as an organ of the unity of social life or not. Then absolute interdependence appears, presented as external: it is the other, not an organ of oneself. The omnipotence of the other will develop through a series of intermediate steps in which it will become clear that the subject is always lacking something. And that which is lacking is "object A." [49]What does the commodity producer lack, how do they confront that which dominates them? It is an object that is always lacking because it is always external to their own subjectivity. What will appear in this (with more complexity, I tried to synthesize it), is again (although now it is not a myth): the word exists, and since this exists there is the human being: a subject who seems to be the bearer of his omnipotence but in reality it is that of the *Other,* this human being always lacks this object A that he cannot reach (I think I skipped a part but…).

Making the same kind of observation regarding Freud, Lacan was asked whether the capitalist mode of production could be overcome at a peculiar moment, during May 1968. There are two aspects to this. One comes from a text predating 1968, in which he says: “How can one overcome the alienation of one’s labor? It’s as if they wanted to overcome the alienation of discourse. I see no way to overcome this alienation other than the object that bears value, what Marx, in a singularly prescient homonym of psychoanalysis, called: the *fetish* …” […] [50]. So,

[49]Lacan: “Object A is that by which the speaking being, when captured in discourses, is determined. It is completely unaware of what it determines: it is **object A.** In what it is determined, it is determined as a subject, that is to say, it is divided as a **subject** and is the prey of **desire.** […] that is to say, it has its effects from which what we call the ' **phantasm' is constituted,** that is to say, the relationship between object A, which is what is found from the defect of discourse in causing desire [**JIC:** what is outside the person is the commodity] and that which condenses around it like a fissure that is called the 'subject'. It is a fissure because object A is always between each of the signifiers and the one that follows.”

JIC: So, regarding subjectivity, the possibility of satisfying it appears; the determination of subjectivity is outside of subjectivity, in this object A. I don't know if that image is any clearer now, that there is a thing, an object that determines the subject and that the subject cannot control. In what society is that object? In one where the social relationship is established through commodities, that object separate from my person.

[50]There is a break in the recording.

what emerges here is that fetishistic consciousness is a problem of a biological nature. And his answer to the question of overcoming the capitalist mode of production, summarized, is:

> […] in any case, man cannot aspire to be whole, to the 'total personality' (another premise from which modern psychotherapy deviates). In any case, man cannot aspire to be whole from the moment that, in the game of displacement and condensation to which he is destined in the exercise of his functions, he marks his relationship with the signifier.

The first reference to the signifier is the *law;* it begins with that development. Then, the biological, natural character of this form of human consciousness reappears, along with the impossibility of advancing beyond it… When he speaks of the signifier as the law, it is something external to my subjectivity, something imposed upon me. There is a naturalization: this has been eternal since humankind developed language.

[Speaking of naturalization] The human being, above all [in this image], is omnipotent, but is subject to the omnipotence of others. But this omnipotence of others is not expressed as a personal power. This abstractly free individual clashes with these others. How do these others (the unity of the process of social metabolism) express their omnipotence over this individual? Not personally; this oppression doesn't have a personal character, but rather takes the concrete form of being mediated by an object. The producer of commodities has to act as if free by nature; their social interdependence appears to them as something external, but it's not that others subject them personally: it is the commodity (or money) of others that determines whether or not this individual can satisfy their personal needs. This is present for everyone in the capitalist mode of production, whether or not they have private ownership of the means of production. The capitalist is not excluded from this form of subjectivity, not even in Lacan's approach, but for him, this is natural.

I want to make a clarification. Just as classical political economy naturalizes capitalist social relations, it is a form of consciousness capable of guiding action that carries with it the transformation of the social metabolism process. When Smith wrote his book, it wasn't out of mere curiosity about the wealth of nations, but as an instrument for the political action of the English state regarding world trade… regarding the organization of the social metabolism process. And when David Ricardo wrote his *Principles of Political Economy and Taxation,* which stems from the same naturalization, he did so to operate on the organization of… [51][…] I make this comparison because I very clearly distinguish between psychoanalytic theory, which attempts to explain what a human subject is, and psychoanalytic practice (for which I have respect and recognition), which operates concretely on the subjectivity of the individuals it treats.

Each person produces their own consciousness; therefore, consciousness is not produced for the subject of psychoanalysis, even though there is a naturalization of calling the therapist "therapist" as if it were a clinical role, and the analysand is

[51]There is another cut in the recording.

recognized as the subject being analyzed. But it is a form of social work that has the potential to operate in that process in which a subject is producing their own consciousness. There are other ways of operating in the process in which an individual produces their consciousness in other forms of societies that are based on the alienated nature of consciousness, but it is not a free consciousness. So I advocate for analysis because it satisfies a concrete need of subjects who are free because we are alienated; we can only confront our alienated subjectivity by reproducing that alienation. In this case, not because we think we are not alienated, but rather because one recognizes oneself in one's determinations in a way that, without it, one could not know oneself, and would be imprisoned by determinations that one has no capacity to control, and thus develops that capacity.

I advocate for it in contrast to the misery of behaviorist psychology, which reduces every problem to positive and negative responses. I tried to criticize this psychology, but it lacked any conception of subjectivity. In its most developed form, it states: the environment determines the individual. But what is the environment? The product of individuals' actions. But what is the individual? That which is determined by the environment. Therefore, the critique of psychoanalysis in these lines is that it purports to explain subjectivity, but in reality, it doesn't exist. This has led to the denial of the antagonistic nature of one's social relationships within their subjectivity, and has resulted in the overmedication of the individual because there's no need to even ask what's wrong: if they have this symptom, there's this pill, and that's the end of it. This is an expression of the most brutal reproduction of alienation in the capitalist mode of production: don't think, don't question your subjectivity.

But if I have to look at it [psychoanalysis] as an explanation of what human subjectivity is: that is, representations of human subjectivity inherent to the capitalist mode of production, as if they were intrinsic to human beings. That's what I criticize. Freud already had *Capital* at his disposal, so… Although it wasn't widely read, the step had already been taken, unlike with Smith and Ricardo, whom no one had yet taken. But after Marx, one has… this question. So, the questioning has this character: if this were natural human subjectivity, there's no way to overcome the capitalist mode of production.

Magalí [52]: I find it difficult to connect what you were explaining with psychoanalysis. I also find it difficult to detach myself from the theoretical background I bring with me.

JIC: We start with the simplest determination of the process of social metabolism and move on to its form as a work process, etc., and the form of human knowledge until we arrive at consciousness and will. This form of knowledge, this way of expending the body to recognize what potentialities one has as a subject in relation to those offered by the environment, I examine in different modes of production, and it takes different forms. When I arrive at the capitalist mode of production, what I find is the form that the general social relation takes, and that is the exchange of commodities. I see what a commodity is, what value is, and how value is objectified, and then what comes next is: if this is the general social

[52]This workshop attendee was a psychoanalyst.

relation, what is the simplest and most general determination of consciousness in the capitalist mode of production? [53]It is this determination that it is a free consciousness that encapsulates alienation in the commodity. Then one begins to see how this presents itself in the practical consciousness of someone who inquires about consciousness. And in the case of Freud and Lacan, this is what it is: when it needs to be explained, the consciousness inherent in the capitalist mode of production is presented as if it transcends it. In Lacan's case, even its own forms are adopted, and fetishism ends up being presented as a biological matter, not as a historical phenomenon.

That is the critique. And it's not an epistemological problem: it's that, according to this insurmountable condition, the socialist mode of production would be unattainable; it's a problem, then, of political action, of its organization. If I start by looking at consciousness as Freud or Lacan conceive it, that political action is meaningless. That's why I take great care to separate the operation of psychoanalytic theory on individual subjects from what it would imply to act politically based on that same conception of human subjectivity.

Gabriel: As Javiera says, how can something based on naturalization have the power to advance against alienation? What the psychoanalyst tells you is to let go of what society tells you and act as a free person (I think, very abstractly).

JIC: It will reproduce alienation, but if it is "successful," it will reproduce the individual's alienation in relation to an image that allows them to go beyond where they could go on their own. And since the mechanism is to question rationally, what is present is the possibility of confronting one's own alienation. "Success" doesn't come from this questioning, but it has the potential to produce an individual who critically questions themselves. It's true that it will give the appearance of being simply a freer individual, although I don't know if that happens across the board [of psychoanalysis].

For me, the question of subjectivity itself, in psychoanalytic terms as opposed to the terms of the critique of political economy, has a moment of development that I can't quite define: it comes from both sides. At one point, they constituted a unity for me in the sense of… I couldn't have answered the question of free subjectivity as a form of alienated subjectivity, I think, regardless of whether I questioned my own subjectivity, whether it was free or alienated. […] I don't know if this has a general character; I don't think it would have been useful to me if, as Gabriel says, I were abstractly fed by the image that I am free, etc., it wouldn't have been useful to me.

There is a general psychoanalytic approach, developed by a disciple of Freud, that has been more or less influential… At one time it had a certain presence; he is one of the Freudians who had to go into exile in the US due to Nazi persecution, Edmund Bergler. He doesn't propose an abstract freedom as a starting point, but rather that this abstract freedom contains an impotence to confront… I don't know if I would say alienation… But it appears as a false freedom that seems to confront

[53] Everything that will appear as a concrete form are manifestations of this simpler determination.

what appears as external, and in reality it is not confronting that external thing but its own subjectivity […].

Lacan uses Marx's words in ways that are... When he begins with the "surplus-" of surplus value, it was the anticipation of pleasure. And that Marx "founded capitalism," right there... And on the other hand, there's his proposition of mathematical representation as the rigorous form of science; he does almost the same thing as neoclassical economics, presenting it as if this representation could account for general qualitative determinations, something that is completely outside the realm of mathematics. Why does he need to appeal to that as if it were an advance? What historical role does this proposition play?

[II]

[…] In a discussion with several people trained in psychoanalysis, I actually began my argument like this: I have this explanation of what the subject is like, and I then have to ask myself about its simplest determination. Subjecting it to critique is n't about saying, "It's absurd to resort to a myth," but rather about asking myself about this author's need to resort to myth, what determinations does his consciousness carry that make a myth sufficient for him to explain. Then the question arises about what the process of human life is in its simplest determination—is it a process of social metabolism, etc.? Then the commodity appeared, and alienation expressed in freedom, etc. I can't take it externally and say: this contributes to my understanding or not, or I'm going to accept it or reject it. The question is what it tells me, confronting this author and asking myself if I find the same thing he finds. If I find the same thing, then my process will be a simple recognition from a social point of view, and if from a certain point I do not find the same thing, from that moment on it will be a process of original knowledge not simply from an individual point of view but also a social one.

When we started (I don't even remember if I emphasized this, although I should have), we began with the class struggle—a form of political action—and moved on to the commodity, which seems like a different field within the social science of economics. But when we asked ourselves what the commodity was, we moved on to the process of human metabolism, which seems to belong to biology. When we asked ourselves about the necessity of what was before us, we moved on to something else that determines our consciousness and will. But what are consciousness and will? They are not explained by the production of commodities; they are a development of the natural form of the human metabolic process. I referred to Marx and the single science. There was no leap from natural to social things. What we did was say: this natural form, which is generically inherent to human beings, is what we are going to call a “social form” […].

Where do I propose a process of recognition and original knowledge? As we progressed in reading Marx, at a certain point I said that I didn't recognize what was appearing here. Regarding what constitutes a thing, an objectified external existence, *Capital* says nothing. But in drafts… I made the mistake of not stating: there are use values whose production precedes their consumption and others that are simultaneous (“services”). In his drafts, Marx has a series of propositions about services, and he says that there is no objectification of the product (my point is: I'm listening to the singer and there is objectification; I'm appropriating not the singer's subjectivity but the objectification of what he's doing). He goes on to say (it's very complex because there are different forms of service, etc.), that at certain times, they *seem* to have value; at others, they *do* n't. So, I subjected this to criticism and said: I don't find what's there. I can't say either 1) Marx says this (and not propose the other); Nor 2) that Marx actually meant what I'm saying, because it really has to be interpreted this way, because he once said something that is what he said there but less clearly, etc. What I have to say is that I find something different from Marx.

And the other aspect is the question of free consciousness as a form of alienated consciousness, which isn't expressed that way in *Capital,* although there's no clash, but there is a need to go a step further, because in the development of that process of recognition I say: here we have to emphasize this determination, it's not enough to say that it's a fetishistic consciousness. Because if I overcome fetishism, what's left for me, an abstractly free consciousness? No: a consciousness that has advanced in its freedom because it recognizes itself as alienated, but is alienated.

When one offers criticism, one doesn't interpret. It's fundamental to understand why I can't find what the author is finding, to unfold it, to say: he says this, how do I account for what he's saying? (not "What does he mean?"). When Freud develops the three psychic instances, I don't interpret, but rather… What do I find in what he's unfolding? And I find the consciousness of the commodity producer. And when he turns to myth, I say: this is the naturalization of the consciousness of the commodity producer. What does this author's message confront me with? And then I unfold what it confronts me with.

[…] When one speaks of form and content, one is expressing the general form of determination. But when one has to confront a *concrete determination,* what is at stake in this method we are using is: I have a certain existence that I am confronted with, and I ask myself about its necessity. And if this has a necessity, it is because in this current existence there is a potentiality that is realized. So I have to ask myself where the necessity came from, and each time in the analysis I keep asking myself about the necessity of this necessity, of that other one, until I arrive at the simplest form of that necessity. And then what I do is return, not saying: I have a content that must have a form, and now this form must be a content that has this form…

One can present it externally in this way, but the development itself, if we look at how Marx unfolds it, begins by asking: what do I have before me? Exchange value is a relation of equality; this is its immediate aspect. And he asks: how can it be so if it is a relation between qualitatively different things? Therefore, it must have a common quality that gives these things the potential to be exchanged. When Marx finishes this development and everything related to the SNALdPaI (Tax on Exchange), he returns and says: I look at the commodity, and it never itself makes it evident that it has this attribute when I look at it in isolation. Where is this attribute expressed? In the exchange relation. So, if that is the expression or the form of the attribute, I begin to unfold it and I advance in that unfolding. It's not that at some point he said: since there is content here, it must have a form. Rather: I found this content, but I don't see it anywhere.

There's a development between the first draft of the first edition of *Capital,* where it's viewed as if the content were a purely mental, conceptual matter. Then it says: but if one looks at it from a mental point of view, the substance of value appears as if it were something conceptual. And in the second edition, in Chapter I, abstract labor appears for the first time; the differentiation between abstract and concrete labor wasn't present. And what emerges is that if I look at it… It's no longer an abstract problem of it being, first, a product of thought, then whether it was viewed from the point of view of thought. Now it's: I look at the commodity and it has no way of expressing this attribute that I know it has. So, what do I do? I

saw that the attribute was expressed from the outset in the exchange relation, and I'm going to unfold it. In unfolding the exchange relation, something appears that, from the point of view of logical representation, is inadmissible. At the end of section 3 of chapter I, we arrive at money, which expresses value even though it is not in exchange for any commodity. What it cannot do is express the magnitude of its own value, yet it is immediately exchangeable and is recognized from the outset as a product of social labor. How did I discover this? By unfolding the way in which this attribute is expressed, which cannot be expressed on its own but only in a form that is the complete opposite of the attribute itself—this is what appears in the question of the equivalent. And this is what leads the fetishistic consciousness to the realization that it is the natural attribute of a thing.

And in none of those steps is there a leap that says, for example, like Smith, who, since he can't explain money, says that it's natural for things to change. When I get to that point in Smith's argument, I say: I can't recognize that step he took; I have to reproduce it myself. And then I say: no, what happens is that Smith started by looking at that attribute as a natural attribute, and it isn't.

[…] If the phenomenon, if the forms were exactly the same as the content, one would look at the form and immediately know what it is; the senses would suffice. Marx expresses this by saying: scientific knowledge would be unnecessary […] [54]. The problem is not that knowledge is immediate. One always begins with immediate knowledge; one confronts the concrete reality upon which one will act in its immediacy. Since content is not the same as form, one confronts a phenomenon and then realizes that it is not identical to itself, that it has a cause that is not the phenomenon itself, and that is where the analysis begins. This analysis can stop more or less immediately; it can take the form of objective knowledge or knowledge that has no form of objective knowledge at all. There are forms of knowledge that contain the contradiction that, in trying to be objective, they cease to be the only possible form of knowledge because they have to stop at the immediate appearance. Religious knowledge has this character: it is a matter of faith; the immediate answer is that it is explained by divinity, and when one tries to explain it objectively, one runs up against the root of that knowledge.

[Critical/Marxist political economy][55]

[…] What we had set out to do was to confront what has happened to this development that Marx makes, how it is recognized by subjects who identify or call themselves "critical/Marxist political economists" (although there are authors I will mention who would not approve of being placed in this "package"), who propose the development of Marxist political economy. Marx does not say: I am criticizing "classical/vulgar political economy," but rather "political economy" in general. In some places, political economy appears to be the science of the bourgeoisie, in others more subdued, but in general, what we find is a critique, the substance of which is the naturalization of the market social relation, from which the naturalization of a free consciousness arises. What is criticized in Marx, and

[54]Cut in the recording.
[55]The criticisms are developed in *Understanding Capital Today.*

which one extends to other approaches that did not generally exist in Marx's time, is this: in Marxist political economy, naturalization occurs. It appeared in classical political economy, which couldn't explain the form that value takes because that would confront them with the historical character of the capitalist mode of production and what is specific to consciousness within that mode. Then there's neoclassical economics, which claims the natural character of value. One of its founders, Walras, says: value, once established, is natural because of *a, b, c* ... And he claims that free consciousness is natural. And that all of this should be eternal, and any deviation from it is unnatural, that previous social forms were unnatural, and any attempt at a different society is also unnatural.

What's happening in Marxist political economy? There's a line of thought that maintains that value is a philosophical category. And this only produces confusion and a lack of scientific rigor in the study of economic relations. Marx's ideas must be transformed into science by freeing them from these notions about value, its substance, and its form. The fullest expression of this is what's called "analytical Marxism," which also argues for adopting the tools of neoclassical economics: rational choice models and econometric techniques. When rational choice is discussed, neoclassical economics says: this is natural rationality, the kind that chooses freely. Analytical Marxism says: yes, it is a natural freedom, but they are wrong in thinking it manifests as selfishness: this natural condition manifests itself in solidarity. So it is rational, there is no content other than what the individual recognizes he is doing, and therefore the problem is: let's look at another naturally free consciousness, let's reject that “rationality” of neoclassical economics and put in a “better” free rationality.

I'm not going to dwell on this much longer because it's full of nonsense (or worse than nonsense). Like saying that, since Marx already said that capitalism leads to higher social forms, an individual who doesn't have many economic worries, who works at what they like, is already living in that higher society.

So, there's this argument that says it doesn't make sense to talk about value, but it does make sense to talk about values, and then (with apologies to Xatan) morality, ethics, and the moral condemnation of capitalism will emerge. What remains when you free Marx from the question of value is Marx's condemnation of capitalist society. An author in the journal *Capital and Class* makes this argument.

Ignacio: I wanted to ask if neo-Marxism isn't full of these representatives who maintain that "value" is a philosophical category, like John Elster, Gabriel Cohen, etc.

JIC: The main one, Elster, is from analytical Marxism. I don't know if they're " neo-Marxists." The main theorist who makes these arguments within the economic sphere is John Roemer. Then, within analytical Marxism, not economists but who make a somewhat different argument, there's Gerald Cohen, who wrote *Karl Marx's Theory of History: A Defense* .

Ignacio: I called them " neo-Marxists " because, as a sociology student, that's how I understand them today. It's as if they're proposing a way to go beyond what Marx said.

JIC: These authors openly claim to have transformed Marx's ideas into a scientific approach. There's a current of thought in which various authors' arguments intersect, suggesting that value is quantities of labor and therefore exists in every form of society, expressed in quantities of labor. The question of its historical character disappears or is sidelined. Rather, it's a historical form that emerges externally. Now, instead of commodities being exchanged for quantities of labor, it's exchanged for quantities of money. Many of the discussions I'm going to mention are linked to things we'll see later.

One of these questions is the concrete determination, the concrete form of the value of commodities, determined in production and circulation as products of capital, not as mere products of labor, and consequently, how value takes the form of the price of production. Marx develops this in Volume 3, which brings together Volumes 1 and 2. Marx addresses this in a prologue, stating: "Here we are not going to talk about generalities, but about the concrete form this takes, and consequently about the unity of all these determinations that have unfolded, how they all realize themselves in their unity." Then this concept of value as a quantity of labor, expressed in quantities of labor, emerges. This comes from neo-Ricardian economics. Its leading figure was the author Joan Robinson, [56]who begins her text, which is titled something like "A Compendium of Marxist Political Economy," by saying: "Well, if for a 19th-century German philosopher, 'value' might have had some meaning, for a modern English reader, 'value' is quantities of labor." And with that, she settled the matter. Then there are Marxist authors who take up this approach by citing it, or it appears as a result of developments.

Tomás: Analytical Marxism is directly related to utilitarianism (among other things), and yes, it is different for me from neo-Marxism, which is more irrational or unscientific. Analytical Marxism isn't interesting; it wasn't very useful to us. But the problem with neo-Marxism is that they say: Marx is Europeanizing… It's the center-periphery issue, etc.

JIC: These kinds of arguments seem to me... On the one hand, they're nothing at all, but on the other, they have a distinctly political character. They arise from certain conditions inherent in the materiality of labor within the capitalist mode of production. It's no coincidence that they've appeared in the present, even though some aspects of them come from much further back; they've simply taken on more or less potent expressions in the present. All these arguments stem from a consciousness that is inherently free and the oppression exerted upon it.

[56]"Joan Robinson (1903-1983) was an English economist who was part of the so-called post-Keynesian school of Cambridge, England. She constitutes a paradigm of heterodox economist, since her theories brought together elements from the most diverse schools, generally opposing the various dominant orthodoxies in economics as the 20th century progressed" [Wikipedia].

Javiera: Shortly before reaching Chapter II, my translation mentions “[…] that tedious and absurd controversy about the role that nature would play in the creation of value.” What is it referring to? Smith? Ricardo?

JIC: I couldn't answer you with too much precision because these are discussions that disappeared in neoclassical economics: the naturalization is such that it doesn't even consider it, it doesn't discuss the natural character of the categories it works with. For them, capital is a natural thing that produces useful and scarce things on its own, and therefore has value. When we get to the last section of Volume 3, we'll see that there's a chapter called "The Trinitarian Formula" or something like that; it refers to the trinity of labor-wage, capital-profit, and land-rent. And Marx is going to say: that has as much to do with each other as notarial deeds and music. And neoclassical economics is the full development of this: natural things produce social relations on their own—land, for example. But value, since it's not a product of labor but a natural condition of utility and scarcity, there's no discussion. Nature is the source of value. Labor in neoclassical economics is a negation of action: a sacrifice of leisure.

Javiera: I wasn't referring to the neoclassical economists. These days you have a whole variant of Marxism saying that animals and nature work. But what I see is that this discussion isn't new, that's why I was referring to that section.

JIC: I don't know the history of economic thought well enough to tell you who did or didn't hold those kinds of positions. Those that do appear today, we can incorporate them into what we're seeing because they are actually associated, when they attempt to establish a foundation, that attempt is linked to the other line of Marxist political economy regarding value. One is that "value has no form other than its content," the other is that "value has no content other than its form." That form is reduced to content means that value is expressed in quantities of labor, etc.

In which authors do these terms appear most starkly? Two contemporary authors, Cockshott and Cotrell, make this argument: commodities are exchanged in proportion to quantities of labor, and money must be replaced by what Marx calls "hourly vouchers." Marx begins his draft of what will become *A Contribution to the Study of Labor*, but which will later become the first draft of *Capital,* by discussing why value, being essentially quantities of labor, can *never* be expressed in quantities of labor. What is the significance of this argument? Cockshott and Cotrell are considered the two leading theoretical economists of "21st-century socialism." Therefore, it is not simply a problem of abstract theoretical construction, but a fundamental issue regarding how social life is organized. They argue that with the development of computers, everything could be accounted for in terms of labor time, allowing for centralized control of exchange and eliminating the movement of capital.

These allocations in terms of quantities of labor also appear in some proposals of so-called “market socialism,” which is a contradiction in terms because “socialism” is a directly social organization of production and consumption, while the market is the indirect organization of production and consumption. In the

Grundrisse, Marx says that this was the approach of the Proudhonists, which later took on aspects in the sense that it was no longer individual production, but collective… But it involves collective bodies that produce commodities and exchange them with each other in proportion to the quantities of labor that each has expended. I had some discussions with Cockshott a very long time ago via email (when it was a great novelty, 20 years ago), and Cockshott's answer was: "value = quantities of labor," it is expressed in quantities of labor, period.

Other approaches will emerge, such as Paul Sweezy's, which I always summarize like this: when I was young, there were two ways to understand Marx's ideas (without actually reading Marx), depending on whether or not you were a member of the Communist Party. If you were, you read the USSR's *Manual of Political Economy;* if not, you read Sweezy. He would begin by stating that since labor is private, it can only be expressed in quantities of money. Then he would go on to give all sorts of examples of exchange relations in terms of quantities of labor, and then discuss the question of production prices, speaking on the one hand of something expressed in quantities of labor and on the other in quantities of money. This same reduction appears: that value has no form other than its substance.

There will be a whole line of thought within Marxism where, to explain value, one must start from the unity of production and consumption, for example, Folley. They are inspired by a Ricardian author [57]who develops a series of models for discussing what happens with prices and so on, but who says he will construct a framework that ultimately leads to quantities of labor. And when he begins his book, it is called *Production of Commodities by Means of Commodities.* Sraffa 's commodities … one can give him the benefit of the doubt when reading the cover. When reading the first paragraph of the text, one will say: these are not commodities, because here there is an immediate unity between production and social consumption: everything that is produced is consumed; and that means that labor is not private and therefore Sraffa 's commodities are not commodities.

Srafa 's development. One of them, Dobb, argues that Marx hadn't actually set out to create an original work, but rather to refine Ricardo's ideas; and furthermore, that Marx no longer began with the commodity, but rather his problem was constructing a concept of value. He no longer starts from a concrete form, which is how social wealth presents itself in the capitalist mode of production, but his task was to construct concepts, starting from basic concepts like value, exchange value, and use value. In the Spanish translation of Dobb's book, he refers to Marx's development as "so poorly constructed...", whereas the original English version says "interpreted." But for him, it's a problem of interpretation.

In one of his last texts, the *Marginal Notes on Wagner's Treatise on Political Economy* (Wagner being one of the early neoclassical economists of the Austrian School, who comments on Marx's ideas and notably states that they are far more interesting than other ideas of the time), when he reads and notes Wagner's observations, he first notes that it is a "cost theory" inspired by Ricardo. Marx is indignant and tells him that if Wagner had bothered to read it, he would have

[57]Piero Sraffa.

realized that Ricardo is concerned with the magnitude of value and not with finding the link between his theory of value and nature [...] [58]. And what Marx notes above all is: I do not start from concepts, therefore not from the concept of value, so I have no reason to divide this concept in any way. My starting point is the simplest social form in which the product of labor takes shape in present-day society, which is the commodity. And what we will find is a great deal of this questioning about what concept Marx wants to produce or what concept he starts from.

Here in Dobb, we find him on the side of those who argue that value is quantities of labor and is expressed in quantities of labor, but we will see him very strongly on the other side. He was more prominent in another era, and today he creeps into different approaches, appearing in many conditions of production price determination as a concrete form of value, where values are measured in quantities of labor and production prices in quantities of money; labor is transformed into money…

What emerges above all in the other perspective is that, while in the first it is seen as the form of value, in this other perspective it is taken as if it were a social form specifically characteristic of the capitalist mode of production, something inherent to the materiality of human labor, namely abstract labor. We will see a line of thought in which abstract labor appears as a social and historical form, and what's more, it is the specific form that labor (being abstract) takes in the capitalist mode of production.

I'll begin with the approach taken in the *Manual of Political Economy* of the USSR Academy of Sciences. It starts by stating: "The labor of commodity producers, conceived as an investment of their human labor power in general, regardless of its specific form, is abstract labor." This means that abstract labor is a material expenditure of the body, and therefore common to all forms of society. In the same paragraph, it says: "The abstract labor that constitutes the value of the commodity is a historical category, a specific form of social labor inherent only in the commodity economy." And now it is a historical category. Private labor is not the specific form. It is the commodity economy. It then goes on to say: there are commodity societies where labor is performed privately, and commodity societies where labor is performed directly socially. What is the Soviet Union? It is socialism; it is the society where labor produces commodities, a commodity economy where labor is performed directly socially. Thus, these two types of commodity societies emerge. How can you justify the existence of a commodity (and therefore, the value and form of the value of the commodity = money) in a directly social job?

The explanation he will give is this: there is a planned allocation of social labor to the various organs of production (branches/enterprises), but it is unknown whether this allocation corresponds to the needs of the members of society. He then says that labor is directly social, but there is no immediate connection with social consumption. But that is a characteristic of private labor. So what he will say

[58]The connection is cut off.

is: the products of labor must go to the market, to the exchange process, because that is where it becomes clear whether what was planned is adequate or not. Despite this, the manual will say that labor is not private, that in the socialist economy fetishism has been overcome, and that social relations between people do not take the "deceptive form" of relations between things. And that the production-consumption unity is established through the exchange of commodities. And therefore, commodity producers confront the product of their own labor as the bearer of a social power that is alien to them and dominates them. It is therefore asserted that there is an abstract work that produces value, but that in reality there is a directly social organization of work.

The manual (which was based on a concept that had already been developed in the USSR) responds to a question raised by Stalin in his later years (around 1951), who sent a comment to the manual's authors... [regarding the law of value in socialism as a planning tool]. It also teaches "comrades working in the field of economics how to rationally manage production and discipline them." And it's important to remember that among the manual's authors, all of whom worked in the field of economics and were responsible for managing production, one was Leontiev, recognized as the original author of input-output matrices; they were not just anyone. The manual has two parts: 1) capitalist economics; 2) socialist economics.

In socialism, there is value, but it isn't value itself: it's an instrument for planning… And the same goes for prices, wages, etc. This is how not only all economics students at USSR universities were trained, but also all communist activists. And this quickly fell into decline and was replaced by neoclassical economics. There's an author named Kantorovich who writes: labor is a factor of production that must be remunerated according to its productivity. Land [59]is a factor of production and must be remunerated according to its productivity. This is the problem at a time when the USSR was experiencing insufficient food production, and he says that one problem is that production hasn't been organized on this basis. And then he does the same thing as the National Economics School: he doesn't say "capital," he says "the instruments of production" [60]"are a factor of production." And after that, he adds: "(...) and this is what Marx said." And the USSR Academy of Sciences becomes neoclassical.

[…] He [61]argued that he taught neoclassical economics to economics students so that they wouldn't end up like the Soviet economists, who had learned it later in life and become fascinated by it. Perhaps he was quite right, because many former Marxist economists are now established neoclassical economists.

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[59] **JIC:** An inanimate thing that does not produce anything by itself. The only thing that has the capacity to produce is the living subject: the plant that grows on the earth produces itself by appropriating the substance of the earth in its metabolic process, and the individual who sows produces the plant that produced itself by taking the substance from the earth. The earth is not a subject.

[60] **JIC:** These are inanimate things without any capacity to produce anything by themselves: they are the means by which the human subject uses to produce.

[61]He talks about a certain Guido, a minister under Menem, who taught at the Faculty of Economic Sciences.

Javiera: Why did neoclassical economics develop so much in the USSR?

JIC: Because it's the normal, general form of scientific consciousness regarding economic relations in the capitalist mode of production. That's why it's universal; it's the expression of commodity fetishism in a society where social labor is private (there's no immediate unity between production and consumption; there is value, commodities, and capital). Immediately after the 1917 Revolution, there was a very strong debate. The general view was that socialist society abolished private ownership of the means of production, overcame the capitalist mode of production, and this is the socialist mode of production. They began to discuss how to plan: here, planning is done in terms of use values. The other position was: no, value is an instrument of planning, and we need it. In the concrete movement, the first group disappeared, and "planning" was carried out on the basis of value production. One immediately looks at it and says: this is capitalist production; what governs social production is the multiplication of this form of organizing social production, of the capacity to set social labor in motion. And then the problem arises of having to ideologically justify that this is not the capitalist mode of production, in contrast to what all the concrete movements are saying. Then, different approaches emerge.

One of these ideas crystallized in the construction of the Manual. Another proposal disappeared along with its author because it couldn't fit in; if what it said was valid, it was obvious that the USSR wasn't the overcoming of the capitalist mode of production. So it had to be presented as the overcoming of fetishism and alienation; there is a free consciousness, but there are commodities. This produces a string of inconsistencies more grotesque than those of neoclassical economics, which has no problem spouting enormous inconsistencies and carrying on, and the question is how they are uncritically accepted within that framework. So… It was the way to justify, to frame, and to operate… Neoclassical economics isn't simply an abstract ideological construct: it's a form of consciousness, a way of organizing action, and organize it they do. It's a form that (we must remember this is from the period when the USSR began to clash with itself) allows one to say: here… nothing, it's a problem of economic calculation and there are factors of production…

I jumped to a very influential author, a Polish Marxist: Oskar Lange (less prominent today), who wrote a text on Marxist economics that revolves around economic calculation, economic rationality, and economic computation, and what would later be called "social engineering," which is "planning." He also discusses value, which is the allocation of quantities of labor and is expressed in terms of labor power. This is the normal scientific understanding of economic relations in the capitalist mode of production. Which leaves us with the question of why we're such a bunch of freaks. But we'll try to answer that question throughout this workshop.

Ignacio: I only have one question left… Doesn't the production-consumption unity mean that it's a higher phase of capitalism, and that what failed in the USSR was locking itself into that national “real socialism” instead of internationalizing it?

JIC: I wouldn't call it a "failure" because one would have to ask why it is what it is. Second: I would ask whether its powers expressed something more than a process of capital accumulation. I propose that once we have examined the development of accumulation and where it tends toward, we ask ourselves what the USSR was about. That being said, for me, it is the first time in history that a nation takes control of the capital of that nation and demonstrates the historical power of the working class by carrying out this absolute centralization of capital, and what forms it takes. Because that is the fullest expression of the development of the capitalist mode of production as a national process of capital accumulation.

[II][62]

This other approach is based on the work of an economist from the USSR, Isaak Rubin, a collaborator of Ryazanov, who was purged (I don't know if for what he said) during Stalin's era. His main work is *Essays on the Marx's Theory of Value*, a compilation of articles and discussions with other Soviet economists. In the early 1970s, outside the USSR (within "Western Marxism"), Rubin's work was rediscovered and published in English, Spanish, and other languages. From then on, his ideas became the dominant approach within Marxist political economy, with several branches. Rubin has a number of methodological arguments that we will leave aside, and then there is his argument regarding value.

Rubin's argument stands in stark contrast to Marx's assertion that one does not begin with concepts. Rubin argues that a concept of *value must be constructed.* Mixing quotes from Marx with his own argument, he states: "Where does this concept come from? From the concept of *abstract labor.*" He argues that since the concept of value is a social concept, the concept of abstract labor must also be social. Thus, there is a circular line of reasoning: to understand the concept of value, one must understand the concept of abstract labor, and to understand abstract labor, one already knows that it must be a social concept. Therefore, he argues that it cannot be a physiological concept. The problem for Rubin is that Marx refers four times in the first chapter to the physiological expenditure of labor power as abstract labor.

Then he's going to say they misinterpreted him, literally, because they were misled by a few sentences in which Marx presents it as physiological expenditure. He then portrays Marx as inconsistent, writing contradictory sentences, and says that Marx's true explanation is in the *Contribution to the Study of Human Rights.* A couple of clarifications: in the *Contribution to the Study of Human Rights,* he doesn't use the term "abstract labor" until the second edition of *Capital.* Before that, it appeared as labor "in general" or " *per se.*" But in the *Contribution to the Study of Human Rights,* he also states that it is an expenditure of muscle, brain, etc. So even

[62] It continues with Marxist political economy; we have already seen authors with a preponderance between the 1940s and 1970s.

where Rubin says that the true explanation must be sought, Marx is talking about the physiological expenditure of the human body.

Rubin distinguishes *between* concrete and abstract labor, and between private and social labor. We observed that labor is a productive expenditure of the human body applied in a concrete, useful way. We view labor as a unified whole; it's not that abstract labor is separate from concrete labor, but rather that these are two distinct aspects that play varying degrees of importance depending on the society. However, in all societies, there is a mass of available labor power that must be given a concrete, useful form. We also observed that private labor is social labor performed privately and independently; there is no separation between the two. Rubin separates them and argues that when commodities are exchanged, both the *product* and the *labor* of the commodity producer undergo substantial changes.

[Tomás asks him why he's so outraged, saying it seems interesting.] [...] My outrage isn't epistemological or "conceptual," as Rubin would say. It's political outrage. Because what underlies this argument, and why has it become the absolutely dominant form today not only in the field of Marxist political economy but also in a series of discussions that arise within Marxism, more generally known as "critical political economy"? To the point where, when I'm in that area of discussion, that is to say: "Abstract labor is a material expenditure of labor power, therefore it is common to all forms of society, but when it is applied in a concrete, useful form privately and independently, that *labor, materialized* in its product, is transformed into its attribute of exchangeability; it is socially represented as the capacity of commodities to relate to one another in exchange. Hence the 'spectral' character of value"... If one does not make this clarification before starting, everyone present will think that when one says "abstract labor" one means that it is the special form that labor takes in the capitalist mode of production.

What are the political consequences of this? I can explain why it becomes a general issue[63] by summarizing things we haven't yet covered (it's complex: it involves changes in capital accumulation, we have to talk about the political organization of the working class and where its strength comes from...). I believe it was first published in Spanish around 1973. At that time, everyone presenting it criticized "old mechanistic Marxism." Fifty years have passed, and today, texts by the authors of these works begin by criticizing "orthodox Marxism," etc. Why this need to reject, to invalidate what a whole series of individuals who participated in organizing the political action of the working class said (one can disagree with what they did)? This ends up in arguments (there's a bit of everything) that say there shouldn't be any political organization, that power shouldn't be seized, that recognizing oneself as the working class is simply "being," objectifying oneself; what needs to be done is "doing," and when asked how, they say: "We don't know." Why doesz` this become a dominant political expression?

[Gonzalo asks about the specific role of abstract labor, how it appears in capitalism].

[63]He also mentions it in session number 60.

The only common link between commodity producers is that they possess a share of the capacity for general human labor, and they must decide on their own, privately and independently, what specific form they will give it. The problem is whether what each individual produced was applied in a way that was useful to others, whether it was done under normal conditions or not. How is this resolved if the producer and others have no personal connection? They cannot tell the producer that they spent too much time compared to normal conditions, or whether their work is useful or not. This reciprocal recognition is indirect; it is not a personal attribute, but rather an attribute of the products of the SNALdPaI. If that labor is useful to others, the recognition that the work performed in this specific form was one of those shares of general labor power that had to be allocated, and was allocated appropriately, will be represented as the social attribute of this product, allowing it to be exchanged for another with the same attribute, in an automatic process.

Classical political economy (more specifically Smith, since Ricardo isn't interested in it, and neoclassical economics adopts him) explains the mechanism by which unity is restored whenever it is disrupted. Marx touches on this in Chapter III of Volume 1 and fully in Volume 3. This mechanism takes the form of competition. However, attempting to define competition among simple, private, and independent producers can only be done in a very general way. If a commodity is in surplus, not all socially useful labor will be recognized, and therefore commodity producers will receive less than the equivalent they invested (I'll leave it at that to avoid further complication), and there will be a change in production, which will adjust automatically. In a society of simple commodity producers, this is very diffuse, because an individual who made shoes and there was a surplus can't start making gnocchi because they lack the necessary tools. Smith initially presents it as: production of what is lacking increases, and production of what is in surplus decreases. And Marx leaves it in a much more general context until Volume 3, in which the forms of competition will appear in full detail.

What is one of the key factors that allows a shift in the production sector? Credit. It's not that the shoe manufacturer, because there's a surplus, goes and opens a pasta factory. It's that the credit the shoe factory owner is using, when they have difficulty repaying, is gradually withdrawn by the bank, and the gnocchi maker, doing very well, goes to the bank, and so capital moves from one sector to another (to put it very crudely). But among simple commodity producers, it's much more limited. There's a debate about whether simple commodity production existed before capitalism, or whether the capitalist mode of production stems from the generalization of simple commodity production. But when you look at the forms of the simple commodity producers that Marx will cite at the end of Volume 1, such as the artisan or the free peasant in feudal society, in reality, the unity of social production is directly governed. Not just anyone can be an artisan or a farmer; it is a real privilege to be an artisan of this or that; the guild regulates what, how, how much, and who can produce.

[…] There is one author in particular who, in his arguments, completely eliminated private labor and replaced it with what he calls abstract labor. Why the need to make specific to the capitalist mode of production what is not specific,

erasing what is? What is at stake in this erasure? Marx argued that classical political economy could understand the substance of value but never why it takes the form of exchange value. Now, if I empty exchange value of its substance, I also cannot understand why exchange value has to appear to me as the cause of the determination of the value of commodities. What are the political implications of this reversal?

What does Rubin propose happens during exchange? Rubin argues that the product of labor and the labor of the commodity producer "undergo substantial changes." What are these changes? Concrete labor is transformed into abstract labor in exchange, and consequently, private labor becomes social labor. So, how does "purely material" concrete labor become "purely social" abstract labor? If abstract labor had to be social because value was social, then it turns out that abstract labor in exchange is a transformation of concrete labor. How does Rubin explain this transformation? Because commodities, in exchange, come into contact with gold, which functions as money. And the labor that produces gold functions as social labor. Gold is immediately exchangeable for any commodity, and when commodities are exchanged for gold (because it is recognized as representing social labor), the concrete labor expended in producing the commodity becomes abstract labor, and private labor becomes social labor.

So that commodities can be equalized… And abstract labor says that it is "[…] labor that has been equalized through the general equalization of all the products of labor. But the equalization of all the products of labor is not possible except through the assimilation of each of them with a general equivalent." This implies that to explain what value is, what abstract labor is, one must first know what the general equivalent is. How can one know this if one does not yet know what value is, what abstract labor is, the expression of value (VC) if one has not previously seen the simple form of the expression of value (10 $\tilde{N} = 1$ *Z)*? How is the existence of the general equivalent explained? It's not that a socially recognized equivalent, as a general representative of value, arises from nothing; there is a long historical process for the general equivalent to emerge. Therefore, there is another circular line of reasoning.

Once, at a conference, an economist raised a point that went further, but stemmed from Rubin 's. Someone in the audience and I shared this question: if you don't yet know what value, abstract labor, and exchange value are, how do you know what the general equivalent is? And that economist, someone I consider to be very serious about his work, replied: "Well, everyone starts wherever they want" (in the development of knowledge). So it's clear that the knowledge that will be built, starting from something unexplained, will be far from objective.

Rubin is constructing a conceptual framework, and within such frameworks, one can do whatever one wants. There are three problems here: 1) the content of that framework, 2) if one wants to construct whatever framework one pleases, one should claim it's one's own interpretation, not what Marx meant, and this is where the fallacy of appealing to authority comes into play. That's why I keep clarifying what is my own contribution and what isn't. And 3) the political question: why does this individual need to appeal to authority? If I read an author verbatim and

he says one thing, I can't say the problem is that he was misinterpreted and I'm right when I say the opposite of what he literally says. In any case, I have to say that the author was wrong, that this isn't the case. So, I stop speaking on behalf of this author and say that this is my argument. Why the need to call his work *Essays on Marx's Theory of Value* and not simply *a* Rubinist theory?

There are authors who disgustingly manipulate texts. Many years ago, I had an email exchange with an Australian Marxist who claimed, "Marx says that machinery produces value," and presented a quote from the *Grundrisse.* Upon reading it, I thought, "He can't possibly say that." The quote had one part, three dots ["(…)"], and another part. I checked the text, and in the middle, *more than half a page* was missing. He had taken the beginning of a sentence that had nothing to do with what followed and the end of another to make Marx say something utterly absurd. In the second edition of my book,[64] I criticize a whole host of other authors who are still very relevant today.

What's going on with Rubin and what he's publishing? He's involved in a series of debates. In the early days of the USSR, there was discussion about whether capitalism had been overcome, whether planning had to be based on use values, which didn't last long, and the subsequent justification of value without supposed private labor. Rubin was put on trial and executed in the 1930s. So, there are several debates that were only known through Rubin 's responses. Now, his polemic against those who maintained the materiality of abstract labor has been published. Rubin is starting to offer clarifications. Rubin was told... They argued that if concrete labor becomes abstract in exchange, then value only exists in exchange, not in production. They were suggesting that for Marx, value resides in production, and therefore abstract labor also exists in production.

Rubin responds: in the direct production process, labor is not yet abstract labor *in the full sense of the word;* it must yet become abstract labor. What does this mean? He says that the commodity producer is under pressure because he lives in a world of commodity producers, and so this pressure from all other members of society—competitors, buyers, etc.—enters his consciousness and will. Thus, the determination of value is already in his mind, not in the fullest sense, but within production, it takes this form. It is then an ideal value that will become real value when the social form of the commodity becomes the social form of money. And he will attribute this to Marx, even though Marx doesn't actually discuss this. And he will add that abstract labor and value… I quote verbatim: "(…) are created or 'occur,' they come into being in the direct production process, and are only realized in the exchange process."

Now, labor doesn't "occur," it isn't "created" in the production process: labor is applied and materialized in its product. He goes on to argue that the "concept of abstract labor" is the basis, content, and substance of value—a concept as the substance of a social relation. How does Rubin arrive at this point? He arrives by starting with the premise that we must first explain what commodity fetishism is, which explains all the forms proper to political economy. I read it:

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[64] *Knowing Capital today. Using Capital Critically.*

> The theory of fetishism is, *in itself,* the foundation of Marx's entire economic system, and in particular of his theory of value. The theory of commodity fetishism becomes a propaedeutic to political economy.

How does Rubin know what fetishistic consciousness is if he doesn't know what a commodity is because he hasn't explained what value and abstract labor are? Rubin's construction stems from the premise that consciousness is what explains the social relation. Then the political content emerges: consciousness is not explained by social being, by the social relation, but rather the other way around: one cannot understand what the social relation is without first addressing the question of consciousness. Thus, we encounter this inversion.

One of the things Rubin raises to discredit Marx's analysis of commodities and commodity-producing labor (because that's where the concept of the materiality of abstract labor appears), when explaining Marx's method, is that the first two sections of Chapter I were actually meant to "facilitate reading," but that the real explanation begins when one examines the social relation, when one looks at exchange value. And that's where fetishism becomes clear. That's when one realizes: nothing here is innocent; there's an objective behind this construction. If Marx claimed to have discovered the dual nature of labor, to say that this was actually just to make it easier to understand...

So, it's a problem of consciousness. And that's the role it will play, because on what consciousness do these pressures operate? This idea that this is abstract labor, which pressures the commodity producer while they are working, suggests that these pressures "give greater durability, stability, and regularity to the economic system," and that explains the emergence of fetishistic consciousness. It's no longer the unity of social production and consumption, no longer a specific historical form of the development of society's productive forces. The question is: what is the consciousness of an individual upon whom this entire dominion of the reified relationship does not fall? And the answer one gives (Rubin doesn't say so) is that it is a consciousness that is free by nature, the only thing that can remain under the pressure of the commodity. This is the other axis of Rubin 's political meaning and why it becomes a general representation at a given historical moment.

According to Rubin, the existence of commodity fetishism is the only reason money can exist, so fetishism would still exist in the USSR, and therefore it wasn't the "realm of freedom." This argument is politically rejected due to the dual ideological nature of Rubin and the USSR. I don't believe that's why Rubin fell from grace; there must have been concrete discussions about more immediate issues within the USSR, although, when you look at it, not much time passed between this discussion and the other situation. There's an account from his wife of his suffering. But it was clear that with that argument, he wasn't going to have a comfortable place within the USSR. Then there's the question of why he found one outside the USSR. From what little I know of Russian Marxists, I don't see them as great defenders of Rubin, but his ideas remain relevant elsewhere.

Gabriel: Could there be "market prices" without value? In the USSR there were commodities, they would have a price, but... Or perhaps with the development of machinery, at some point human labor might not be so important... Prices would still exist, I suppose, and commodities, but value wouldn't, because there wouldn't be human labor, perhaps, right?

JIC: The private nature of labor refers to the lack of unity in how each individual organ of the social production and consumption process is assigned what specific work it will perform and what use values it will have at its disposal for both *productive* and *individual consumption.* And among individuals who have no direct personal ties, this unity can only be established a posteriori through value. And there is no value that does not take the form of price, since it is the expression of value in money. If there is a price, there is value in the capitalist mode of production. If we are looking at a directly social organization of labor, there is a direct allocation of labor and consumption for each individual, and therefore neither value nor prices are necessary. The other issue is the problem of every process of social metabolism, which is how labor, the productive activity of human subjects, is allocated. We are the only subjects of this process of human metabolism, and we use the environment (which includes non-human subjects and things that are not subjects) to carry out this process of which we are the subjects. The problem of value and price is always a question of the allocation of labor. Since work requires the use of means of production, these means must be allocated. When we speak of value, we are referring to a social representation of the overall productive expenditure of the socially useful human body, produced privately and independently.

In Chapter III, we will encounter things that have a price and things that have no value, and this is where the contradiction arises, because we said that price is the form of value in money. The classic example is virgin land, not "filtered" in its condition as a means of production by human labor. It has no value because there is no objectified labor, but everyone knows that it has a price. And it is not until the penultimate section of Volume 3 that the explanation appears as to why land free of improvements has no value but does have a price. In Chapter III of Volume 1, he makes an observation about morality, which has no value but does have a price (and here one might ask: is morality bought, or the immoral actions of the individual, which can therefore include forms of labor)? But it will appear there, between Chapters II and III: in a society where everything is bought and sold because that is the general social relationship, everything has a price. It is an impersonal social relationship that each person carries with them in their pocket. Marx is going to cite the figure of Julius Caesar, I think, who is brought coins from the public baths, which cannot be touched by someone superior because they come from the bath and are something unclean, and his response is to make the person who brought them smell them and say: "See, it has no smell?", as if to say: there is nothing personal involved here, no personhood in that general social bond.

And another point I wanted to make from Gabriel's perspective: when we say "socialism," which up to this point we've used in a very abstract sense, it's essentially a direct, conscious organization of the process of social metabolism. Therefore, private labor doesn't exist; there's an immediate unity between

production and social consumption. Consequently, value and prices don't exist. Everything produced is destined directly for consumption by a specific individual. The power of the capitalist mode of production lies in its ability to develop the productive forces of social labor without being tied to bonds of personal dependence, and in the scope of those bonds. This is what Marx addresses in the *Grundrisse,* starting with the three major stages of human development, and the role played by an organization of social life that has transcended personal bonds and therefore tends toward universality, erasing all personal differentiation. What role does the capitalist mode of production play in this development? He argues that it's a society that produces universal individuals, with universal capacities and needs, without personal attributes, or renders them irrelevant to the process of social metabolism. It's not a problem of equality: it's a problem of undifferentiation, where if, for a given relationship, any attribute of individual subjectivity is indistinguishable, those attributes of individual subjectivity—which we all remain distinct from—become a force of a directly social nature. They don't disappear, but they cease to be the axis of the social relationship. […]

Where do Rubin 's developments lead? A series of arguments emerge suggesting that value originates in exchange, for example, a line of German authors called the "New Reading of Marx" who posit this (although value is later extended to the rest of society). Others argue the same thing: exchange is an abstraction, presenting abstractly free subjects who engage in exchange without awareness… And in all these arguments, the idea emerges that the goal is to transform the subject of the capitalist mode of production into a subject who is free by nature but oppressed by something external.

Another case is the argument that the overcoming of the capitalist mode of production stems from resistance to oppression. But why would someone resist being oppressed if there is no one oppressing first? Then the argument arises that resistance is in human nature. Therefore, oppression must first be in human nature: oppression would be natural, because it comes first. Then arguments like Freud's emerge, that a society without oppressors and oppressed is impossible. I made this observation to someone with this position at a conference, and their response was: "Yes, perhaps it's a remnant of my religious upbringing."

There's an author who takes Marx's phrase that abstract labor is labor performed indifferent to its concrete form and says: abstract labor is the work done by the worker, which is repetitive, devoid of content, abstracting from the worker's life experiences, their suffering, and other such things. So it's a spiritual matter. And in fifty pages of text, he makes no reference to private labor. He does, however, make a reference to private property. The question we posed, which made the speaker uncomfortable at a conference, is linked to this argument. How can you know what a worker is if you don't know what a commodity is (since labor power is a commodity), and to know what a commodity is, you need to have explained value?

My clash is with what Rubin represents, with what he serves in a particular stage of capital accumulation that has material forms substantially different from the previous stage, which were those expressed by the mass organizations of the

working class (whatever they may have been. It's more or less clear that there are no longer mass organizations of the working class in general except in China, but there it has been decreed that becoming wealthy is an expression of participating in the development of the productive forces; it's so "mass-oriented" that one can join even if one isn't a seller of labor power). Something substantially changed, and the working class lost the political power it had in the mid-19th century, where there is a continuous transformation, which are the needs of capital. These needs arise only from capital itself, in the very transformation of the material process of labor that capital carries out, but they are expressed in the form of the political action of the working class. Because they are the needs of capital but run counter to the immediate needs of individual capitalists, they need to take the form of trade union political action by the working class. And that changes everything.

I began to see it in the early 1980s. The second half of the 1970s is the last spasm of the previous phase, which seemed to be heading straight for the overcoming of the capitalist mode of production. And what follows is a transformation in the materiality of labor that fragments the working class even more than it already was, absolutely. For a large segment of the working class, the conditions for selling their labor power deteriorate; a much larger segment becomes surplus population for capital, and then there is a brutal differentiation in the conditions for the reproduction of that population. There is a process of centralization of capital as a necessity for the scale of production, which until then had taken the form of occurring within each national territory, and which now extends beyond national borders. Within national territories, the most powerful form of this was the centralization of capital as state property, and this is not expressed by the capitalist class, but by the political action of the working class. And all of that undergoes a substantial change that becomes very evident with the crisis of the second half of the 70s and the beginning of the 80s. And then all those transformations in the materiality of the production process that were carried out in the political action of the working class turn around, become the opposite movement, and lose strength.

The USSR was the first time a national working class took control of capital (its alienated social relation) and demonstrated the power of working-class action, even to the point of its dissolution. Then the working class fragmented and faced much more marked internal conflicts. In the previous phase, what provided unity? “We are the bearers of the productive forces, and therefore we are moving towards overcoming the capitalist mode of production. That is our political objective in our actions.” This was the position of the socialist parties, with varying degrees of enthusiasm, and these were mass parties. Why then did criticisms begin to emerge that the problem wasn't the development of the productive forces—that this was mechanistic and economistic—and that the problem was will, a free will? Now, since will in the capitalist world is not free, when someone raises the banner of free will, it's because they lack power, because to advance towards freedom, one must acknowledge alienation. And no, they suggest that I freed myself from fetishism, I turned my back on capital… It's a problem of will.

A whole fragmentation emerges: instead of the generic unity of the working class as a general identity, now each individual is a separate identity from the

others who converge, and the problem is "that we don't come together." So, with Rubin, if fetishistic consciousness makes me suffer the pressures of abstract labor to give stability to the economic system, then I declare consciousness free by nature and destroy the stability of the economic system… And what he shows me is the opposite: that what he calls the "economic system" makes me such a weak individual that I have to look at myself as if I had nothing to do with it because I am powerless to act upon that process, upon that unity. I may have very partial powers, but not the power to confront the capitalist mode of production as such, and to consider its concrete overcoming… These are all strongly idealistic approaches that don't consider the materiality of labor and can't explain why I don't have political power, because I used to have it and now I don't. There came a point for me where I said: here I absolutely change something. And it was when Thatcher's government defeated the strike of the English miners, which was one of the strongest unions in the world, where a whole series of social forms of individual reproduction had been reached (without any illusion about that) and suddenly… Because the image was that Thatcher's government was finished, and it was the opposite.

Another argument similar to Rubin's is that of Holloway and the lines of thought that follow from him. I heard him at a conference falsify a direct quote from *Capital,* a footnote in Chapter I where Engels makes the observation (a mere quip) that in English there is a difference between *"work"* and *"labor,"* the former referring to concrete work and the latter to abstract work (which is by no means exactly the case). Holloway reads it at a conference, saying "alienated labor" instead of "abstract labor." From this, he follows: let's free ourselves from alienation by turning our backs on capital, and the subject that will overcome the capitalist mode of production would not be the working class but rather the individuals who already live "outside of capitalism." And they don't ask themselves what they are, why they seem to be outside of capitalism, the miserable conditions in which they live, or their powerlessness to advance the development of the productive forces that these segments of society possess. And it argues that, on the contrary, the working class is a reactionary subject, an enemy of overcoming capitalism because it lives off capitalism.

Chapter II. The Exchange Process

[...] Marx begins this discussion of circulation with: well, we've seen all the power that the commodity has over the producer. But now let's look at the exchange process, and what emerges is that the producers have complete control over their commodities. They no longer present themselves as producers, but as commodity owners, who have the power to control them. Marx uses the analogy that commodities cannot go to the market on their own or exchange themselves, and that if they were to resist going to the market, the owners can take them by force. But immediately after that statement, the analysis leads us back to what we had already discovered in the previous chapter. The owners are defined as personifications of the commodities: their will is to bring the commodities into exchange and realize their value, to represent them. How does exchange take place? It is an act where the wills of the two commodity owners converge, and they must recognize each other as private owners of their commodity. And it is a conscious and voluntary relationship; this indirect relationship takes the concrete form of a direct legal relationship, but one enters into it already determined as a personification of the commodities. There is a link between the economic relations that determines them as personifications of those commodities; their consciousness and will constitute the relationship of a personification, entering into the direct relationship not as persons (who, as such, are mutually indifferent, free individuals), but as a personification.

Herein lies the relationship between the economic base and the legal superstructure. Where does the condition of personification arise? From the indirect economic relationship. Its realization takes the form of a direct legal relationship where the will to establish that relationship is manifested, but one does so as the personification of the economic relationship. This reference in the prologue of the *Contribution* to the economic base *determining* the superstructure is expressed here in its character; it is not an external relationship between two moments: one is the content (economic relationship), and the legal form is the way in which that content is realized. The value of the commodity cannot be realized except through a sales contract; commodity cannot be sold by itself. It always takes the form of a relationship between the wills *of personifications.*

The arguments that the superstructure responds mechanically to the base... That's not the relationship being presented there. Nor is it the idea that the base determines the superstructure, but that the superstructure has relative autonomy and in turn affects the base, but the base is ultimately the determining factor. Or the idea that the superstructure is functional to the base... That's what I call an external relationship: on one hand, the base, on the other, the legal superstructure, and they are external to each other.

What we will now examine is the exercise of this alienated consciousness as personification, not in production but in the process of exchange. Exchange was presented to us as a movement of equivalence where any qualitative difference in the use-value of commodities was irrelevant. Marx says: commodities are egalitarian and cynical by nature; they are indifferent to being exchanged for anyone. But for the commodity owner, it is not indifferent. Herein lies the dual

nature of the commodity as use-value and value. The first qualitative distinction, as use-value, is from the perspective of the owner who exchanges it because, for themselves, this commodity is not a use-value; it is of no use to them in and of itself. What it must have is use-value for the one who will receive it in exchange. The owner is only concerned that their commodity be an exchange-value, that it serve as a means of exchange. In order to function as use-value, commodities must first have been realized as values. But before that, their use-value must be manifested; the recipient must recognize a use-value in them. And they can only demonstrate this condition by entering into change.

To exchange commodities that do not have use value for themselves, one is only willing to do so if what is received in return does have use value for them. At first glance, this appears to be an individual process: the decision to exchange the commodities or not rests solely with the individual. However, what matters to the owner of the commodities is that their commodities be *recognized as having value, that is, that they be exchanged for commodities of the same value. Whether or not* their commodities have use value for the recipient is irrelevant. And whether or not they are recognized as having value is a general social process, because this is where the social nature of the labor performed becomes evident. Furthermore, since each individual is at opposite ends of the spectrum, it cannot be that for everyone this process is simultaneously a purely individual process and a social one. In this clash of wills between personifications of commodities, what will appear to each of them is that, since they compare their commodity with all others as possible objects of exchange, they see the others as special equivalents of their own, invert the situation, and see their own as if it were a general equivalent (which would imply that theirs is a bearer of value and the others have to prove their value). Since they all see it this way, none of their commodities can effectively function as a general equivalent, and therefore there is no commodity recognized as a general equivalent that represents socially performed private labor.

Faced with this point, Marx argues that as we unfold the determinations of the consciousness of commodity owners, we seem to have reached an irresolvable contradiction. For each of them, their commodity is the general equivalent; they have no way of equating their commodities. Marx then uses a second figure, alluding to Goethe's Doctor Faustus, who grapples with the question of whether the word or the deed came first, and Mephistopheles comes to resolve it. Marx says: and before they can resolve this, they rush into action and carry out the process of exchange. The question is how is it that this seemingly impossible problem is resolved by this very fact? And why are they able to rush into exchange? Because there is already a commodity universally recognized as the general equivalent, functioning as money; this problem was already solved. The process itself has taken care of separating a commodity as such.

The question is: how did it already occupy that place if it cannot arise from the relationship between these private possessors of commodities in exchange? It cannot arise from that movement because, for this commodity recognized as money, its producers have the privilege of not needing to prove that the product of their labor is socially useful. They produce the representative of social labor and enter into exchange possessing it: the dream of any commodity producer. When

we began by saying that the first paragraph of the first chapter presents us with the commodity in the capitalist mode of production, it is the result of historical development. When we look at it as a mere historical outcome, we cannot answer the question of this determination we are examining. We must then move beyond this commodity as the product of private and independent producers, private owners of their means of production, reciprocally free individuals who perform their individual labor privately and independently with full control, and who have no control over the social character of their labor. And we must look at the historical genesis of money, which we can only find in the genesis of the commodity. Marx will present a historical development in very simple and general terms, where concrete forms of certain historical processes will appear, but he won't delve into every single historical form of that development. In their origin, commodities and money are the opposite of what we've seen so far, but in their development they transform into what we've seen so far. Therefore, I have to step outside the capitalist mode of production to understand it. Then we'll see that the capitalist mode of production begins with money already present, and that it will continue to transform.

The development of the exchange process culminates in the split between commodity and money. In this development, the exchange of one commodity for other specific commodities will appear, but what is exchanged does not yet have the character of a commodity *before* being exchanged: it is in the act of exchange that it acquires the character of a commodity. It is not *produced as a commodity* (the product of a SNALdPaI), as a non-use-value for its producer. It serves for exchange because it is a use-value that exceeds the immediate needs of the possessor; it is surplus, even though it had use-value for itself. The commodity we have as a result is then the opposite of the commodity in its origin, which was the product of the labor of a collective subject (community) that does not relate internally through exchange but through bonds of personal dependence, and which, *outside the community,* will appear as the private owner of what exceeded its consumption needs. And since use-values have an objectified existence external to the human being, they are alienable. And the exchange will entail a reciprocal alienation, and those involved in the exchange simply have to recognize each other as the private owners of what they are going to exchange. Who is the subject bearing these conditions? Initially, they are not two subjects whose consciousness is alienated in the commodity; their consciousness is determined outside of that exchange relationship. The proportions of the exchange arise from the will to change.

I'll give an example, albeit an asymmetrical one, because those on one side are indeed possessors of commodities "in and of their own making," while those on the other side are not, yet they engage in an exchange relationship [He'll give the Columbus example later]. And how much each gives and how much they are willing to receive doesn't stem from the normal unity of the social production and consumption process, but rather from a will that isn't determined like that of what we know about the commodity possessor, who is free because their commodity is alienated. Those who exchange commodities are not mutually free individuals, and therefore their will isn't determined by the exchangeability of commodities based on their value.

Alejandro: Are they facing each other as individual citizens or on behalf of the community?

JIC: On behalf of the community. There is (or was) a Marxist anthropologist named Gordon Childe who investigated this type of movement. He identifies a moment when these incipient forms of commodities begin to appear 60,000-70,000 years ago. The manifestation of this is that he finds cross-references... One might think that this moment can be discovered because remnants of it remain, and if there was an exchange of things whose remnants didn't survive the 60,000 years, it may have begun earlier. But in a community that doesn't produce a certain type of use-value, remnants of that use-value appear, and in another community that doesn't produce the use-values that the first one does, remnants of that use-value appear, and so on. From this, he infers that there is this incipient process of exchange between communities.

Marx says this begins accidentally because communities find they can circumstantially produce more than they need for consumption, and then the process of relating to other communities through exchange begins. The ability to possess a use value that cannot be produced enhances the productive and reproductive capacities of each of the two communities. The next step is that they now intentionally produce beyond their needs because their objective is to enter into an exchange relationship with the other community. Thus, the exchange of commodities begins where the community ends, where there is contact with others. This, which enables the development of productive forces within each community, begins to manifest itself as commodities *within* the community.

And then another step emerges: in what quantitative proportion is the exchange? There is no common substance to be expressed in this relationship of equality: it depends on the will of the possessors of these commodities who decide to exchange them with one another. [...] In the example of the asymmetric relationship, where for one person the commodities were commodity, and for others use values that are exchanged, the classic childlike figure of the conquest appears, of Columbus handing over colored glass beads in exchange for gold. In that exchange, there is no substance that sustains the equivalence, but rather the will of those exchanging. For those who received it, it was money, but for those who gave it, it was not: it was a use value with certain symbolic properties due to its material conditions.

[...] From this arises the exchange relationship. This exchange relationship has the potential to develop the productive forces of labor. The next step Marx takes is: one enters into these exchange relationships periodically; it becomes necessary to produce these use values as commodities in order to reproduce the life of the community. And there the commodity begins to acquire the status of a commodity in its production process, and the magnitude of exchange begins to be governed by custom... But what does this custom entail? The more commodity production unfolds and the more the bonds of personal dependence within each community dissolve due to the commodity's power to multiply the productive forces, the more what increasingly governs custom is linked to the possibility of reproducing the

supply of use values as commodities in a normal way. What is the normal condition? That the individual can dispose of the product of a certain amount of labor that corresponds to the amount of labor that the individual expended; Not because they agree on the amount of work, but because the very nature of the reproduction of a commodity producer imposes this proportionality. But before this can fully develop, Marx takes the next step, which is the emergence of the general equivalent.

The movement of exchange requires that, for the possessor, it not be a use-value, but a means of exchange, and that it be a use-value for the recipient as an equivalent of their own, which must have use-value to be considered equivalent. The mediation of money has not yet appeared, but this will be the beginning of its genesis. At first, it is circumstantial, then it becomes established on certain commodities and gradually transforms into this recognized general equivalent. There is no specific, concrete reason why this role corresponds to this commodity and not another. But Marx posits that certain conditions for this role... He will give a series of examples showing that these are usually commodities that come from outside, that it is easier for them to dissolve the bonds within the community than one that comes from within, and that they must possess certain properties. And livestock will appear, and one of the things that will never fulfill this role is land ownership. Why will this function become established in certain commodities?

Money will provide the physical form so that all other commodities can express their value in quantities of that form. What one must consider is what attributes the *physical form* of a commodity must possess to function as a general representative of value. And Marx says that while gold and silver are not money by nature, money is "by nature" gold and silver. What requirements must the materiality of money meet? It must be homogeneous (it cannot have differences in its use-value), it must be fragmentable and reassemblable to express different magnitudes of value, it must resist the deterioration it suffers in contact with the environment (precious metals possess this quality, as they do not oxidize, etc.), and it must contain a larger mass of value within a relatively small physical form, to avoid the problem of having to move an enormous mass of that commodity to represent a large amount of value. Since gold and silver are very difficult to find and extract from the earth, relatively small quantities of use-values contain large quantities of use-value.

Javiera: Regarding casual exchanges, there's an anthropologist, Wolf [65], who talks about the production of surpluses in these communities. He refers to this as a "ceremonial" fund that the community produces to establish ties with other communities. And that fund is anything but casual. And 2) why the reference to land not functioning as money?

What Marx proposes as the second step is no longer a community that fortuitously has a surplus and enters into the exchange relationship: it produces *in order to have a surplus, because it wants to enter into the exchange relationship. In these communities, the process in which the quantitative determination of the*

[65]It is probably Eric Wolf, a Marxist anthropologist and historian.

exchangeability of commodities becomes increasingly apparent, the more commodity production becomes generalized, and within the community, the more the exchange relationship is governed by the amounts of labor expended in producing these commodities. There is a transition from pure arbitrariness (Columbus and the marbles), where both sides know what is being exchanged, but the exchange ratio is fortuitous, voluntary. The more the bonds of personal dependence within the community dissolve, the more the reproduction of that community's life is subject to an individual expending a certain amount of labor and being able to access a quantity of means of subsistence that replaces that amount of labor expended, means of production expended, and so on.

Mainstream Marxists claim that Marx never posits a community of mere commodity producers, that such a community never existed, and that this is an ideal construct, that capitalism did not develop from such societies. The problem with these claims is that Marx states that the development of the value form is the development of the commodity form. He begins with the simple or fortuitous form of value. When we reach the end of Volume 1, we will see that he makes his argument regarding forms of private property that correspond to mere commodity producers, which then transforms into their negation, and so on. And in Volume 3, he states explicitly in one paragraph that simple commodity production is the historical prerequisite for the capitalist mode of production (now they claim this is a distortion of Engels).

If one examines communities of simple commodity producers, the first thing one notices is that they cannot exist in their pure form because they lack the means to establish unity. But unity is defined by the fact that when there is a surplus of a commodity, its production decreases, and if there is a shortage, it increases, as occurs in the movement of exchange. If there is a surplus of shoes in a community of simple commodity producers, and a shortage of gnocchi (and the producers of *Z* cannot produce them because their means of production are only suitable for producing *Z)*, then in the concrete movement of a society of simple commodity producers, the overall unity is always governed by bonds of personal dependence. Marx's example of the free peasant and artisan in feudal society, as we saw, shows that their production is governed by a multitude of bonds of personal dependence: the royal grant to produce *a certain* commodity, given to the guild, which regulates the quantity to be produced, by whom, and so on. Among simple commodity producers, it is very difficult to autonomously and automatically establish unity between production and social consumption because production cannot be shifted from one to the other. There remain forms of regulation that mean that, while the work of artisans who sell commodity is private, at the same time the unity of that process is governed by direct links.

This mechanism develops until there is no direct link, and unity is established indirectly through the representation of the SNALdPaI materialized in its product as the social attribute of being a quantitatively determined value. This demonstrates the power of the commodity; it is an impersonal, objectified social bond that dissolves bonds of personal dependence where the attribute of the person was what mattered. I gave an example related to the history of Argentine football clubs. It's like a bond that isn't one of personal dependence, but that tries

to overcome the indirect bond of the commodity in a direct relationship, imagined as a relationship between equals, free, where there is no reciprocal coercion, and so on; and the sources of the bond end up being the most brutally visible ones through money.

At what point does this reverse? When capital emerges as the dominant social bond, and commodities cease to be what we have known them to be. In short, commodities do not originate as products of private, independent producers. Their production was organized through bonds of personal dependence. Their exchangeability stems from the will of the exchangers. And as commodity exchange develops, this reverses. The exchangers enter as personifications of commodities, in contrast to the primitive exchangers. Value arises from the actions of the primitive exchangers, whose actions were not governed by value, unlike today. This inversion also occurs with money: it does not originate with the developed commodity, with the developed value. It originates as a third party that facilitates exchange, a mere mediator, and as commodities develop into those of the capitalist mode of production, it becomes the representative of social labor. Commodities behave as special commodities of money, the general commodity. Marx reminds us that what is at the pole of the equivalent does not express any quantitative determination of the magnitude of its value. Not even gold can express the magnitude of its own value. If one wants to express the value of gold as money, and maintain the evidence that it is money, one has to display the relative value of money in relation to all other commodities.

I skipped over a point earlier: gold as money has this dual function firmly established: it is a use-value like any other commodity, and it is a use-value as a proxy for value. Gold expresses its value when it enters the first exchange relationship with a commodity. We will see later that the producer of gold never sells: they always buy (give money in exchange for a use-value). And when it enters general circulation as money, it has a value determined by the amount of labor required to produce the gold. Later, the historical process will explore how gold acquires these specific characteristics, and that what has separated it from other commodities as money is not its value, but rather the form it takes as value.

The passive role of the equivalent is reversed, as the use-value of special commodities *appears* to be consumed outside the exchange process, while money remains within the exchange and seems to possess value as an inherent property. Only then does awareness emerge regarding the general unity of this atomistic movement experienced by independent commodity producers who confront the product of their labor as an objective existence with the power to dominate them, a power that is itself objectified in gold. Only then does the unity of the process present itself to consciousness upon observing gold, in the form of the money fetish. The enigma of this fetish is none other than that of the commodity fetish, which here appears fully visible: money has the general power to bind all individuals together. Recall what Rubin said about money being what has the power to make commodities into values.

[…] One is not undergoing a transformation in which one ceases to be one thing and becomes another: one is gradually becoming that, and is fully that when

commodity production is fully developed, when the commodity is the universal form of the product of social labor. Then value can assume the fullness of its determination. The first thing we encounter with the commodity is that it was an exchangeable object, and it was necessary to explain where this attribute arose from, which was private labor, which in its purity is an individual producer (we will see that in reality commodities are not produced in this way: they are the very opposite of individual labor, but this is how it appears in the capitalist mode of production).

There was a time of intense debate about the capitalist mode of production in Latin America: whether it began before, during, or after the Spanish conquest. And the current mode of production in Latin America was also discussed. When one examines the broad historical development of humankind, one can distinguish modes of production. But one cannot stop there if the goal is to understand the immediate, concrete forms that the organization of social production takes at a given historical moment, in a specific context. When one examines the concrete forms of the capitalist mode of production, one observes how the general social relationship is realized, places where there are very strong bonds of personal dependence that determine who can or cannot participate in certain production. Therefore, what one must understand when acting is that, to arrive at the immediate, concrete movement, one must first examine the simplest and most general determinants and then progress through increasingly complex concrete forms. And in *Capital, one* reaches a point of development where, when trying to answer the initial question about political action, one will say: but I'm missing a lot of concrete ways. The problem with reading *Capital* isn't convincing oneself of what one tells oneself (or what someone else tells one), but rather subjecting what one finds to critique. If you take it as something you need to answer, it will appear as a particular interest of yours, but you can't stop until you answer it, even if others ignore you. One cannot accept something uncritically; one has to develop one's own consciousness and not get stuck on appearances.

[…] [On unproductive labor and circulation] To circulate commodities, one must work. One must produce gold to function as money. It's not that gold is produced solely for this purpose; it has other uses—leading teeth, producing jewelry—but the majority of the gold mass is produced to function as money. Does this mass of gold have value? Yes, according to what we've seen so far. According to what we will find in Volume 2, it is an unproductive expenditure of labor in general that does not produce value for capital. The gold that will function as money is not useful for reproducing a human subject, nor as a means of production; it is only a use value for circulation. Does it have value? The use values that have value, as we have seen so far, serve to reproduce another human subject. Here we see that it is a necessary production as a consequence of how social labor is organized as private labor. And what one sees there is that there are individuals who work and do not produce use values for human life. Marx sets it aside, moves on, and this approach appears at the beginning of Volume 2 and in the work on circulation *for capital* in Volume 3.

The question is: what is the nature of this labor that is not socially necessary for the reproduction of human life, but is *necessary* for this form of social production?

The problem then becomes: do we stop to consider this? And I would present what I find regarding this, which is not attributable to Marx. The other option is to forget about this and continue with the text after reviewing whatever is necessary in Chapter II. Chapter III is about money as a measure of value, a standard of prices, and a medium of circulation. It will become clear here why it makes sense to replace gold with signs of value. But the labor of circulation will appear much later, even fully in Volume 3 with merchant capital.

[II]

[...] What social form does the work that must be done in circulation and in production to produce the commodity that will function as money have, when both are social labor (they are useful to other individuals) and at the same time are carried out privately and independently?

I'll start with the commodity producer who has produced their commodity and has to put it into circulation. How do they organize their work in circulation? They know the commodity has to be sold. I'm going to use very basic language to make this clear. The commodity producer has to expend their energy not transporting the commodity, because that's part of the production of use-value. The *Ñs* in the restaurant kitchen, for me, a diner, aren't use-values: they only fully become use-values when they're placed on a plate in front of me. The work done to transport them from the kitchen to the plate is part of the process of producing use-value *Ñs.* The problem is that I have to buy the *Ñs.*

Let's consider the artisan who produces *Z* and knows that they must dedicate a portion of their time to a conscious and voluntary activity that expends their body, not to change the use-value of the shoes, which are essentially the same once they enter circulation. Let's suppose they go to sell a pair of *Zs,* and they're lucky: as soon as they enter circulation, a buyer appears and takes the pair. Or, if they're unlucky, they spend 10 hours shouting in the market to sell, until a buyer finally appears. What does it mean to have to work within the circulation? This individual not only had to consciously and voluntarily expend their body to sell the commodity, but during that time they couldn't dedicate themselves to producing more *Zs.* The time spent in circulation, from the perspective of the availability of use-values in society for the direct or indirect reproduction of human life, represents a double loss: labor power that was expended and, moreover, could not be applied productively. But this expenditure is a condition that arises from the private and independent nature of social labor.

Mr. Z organizes his work within the circulation system with a purely individual task; he has to satisfy his own need, just like cooking for himself. Therefore, the process itself isn't mediated by the need for a social bond that transcends individuality. Up to this point, there's no problem: the individual has wasted labor power, and instead of having two *Zs* to sell, he only has one *Z* because he couldn't find a buyer. The problem arises when, instead of the producer of commodities going to sell them, a private individual appears, independent of the producer, specializing in selling other people's commodities, not in buying and reselling (we'll look at that in Volumes 2 and 3). This individual has the ability to shout very loudly and offers his services to the producers of commodities. Here, social labor is being expended to satisfy a need of Mr. Z that isn't a need of personhood, but rather a need for self-representation.

In circulation, we must distinguish between labor that satisfies personal needs and labor that satisfies needs of personification. When gold is produced to make jewelry or to be an electrical microcomponent, it has use value for people. But when it is destined to function as money, it is neither a means of subsistence nor a

means of production; people cannot appropriate the materiality of that use value for themselves: it exists for their condition as personifications. What about the private and independent production of use values *for* circulation, and therefore for personifications? Since there is no bond of personal dependence, the only way in which the necessary social bond between the producer of commodities and the seller can be established is for what the seller produces to take the form of a value, a materialization of SNALdPaI, but one that does not enter into people's consumption.

It is a society that possesses a mass of labor power embodied in its productive members, which must be applied privately and independently to others. A portion of this labor is spent uselessly because it does not produce social use values. Society will have at its disposal, to reproduce its life, the product of a quantity of labor that is less than what was expended, because it was spent in a socially useless way, and therefore cannot be represented as value. But if we look at the private and independent labor done to circulate commodities—converting commodities into money and money into commodities—it will appear represented as value, but it will not have produced a use value that serves human life. There will be a quantity of things circulating as commodities that are not social use values, and consequently, the labor expended by those who performed the work of circulation is consumption that can only be satisfied at the expense of the labor of those who produced commodities to satisfy human needs. Therefore, society, in order to reproduce its life, will need to consume the product of those who performed the labor that generates use values for human life. However, this consumption is not only appropriated by those who produced it, but also by those who labored to satisfy the needs of circulation. It will appear represented as value, as the purchasing power of products, but this power comes at the expense of the *productive labor that generates use values* for human beings. This is because those who performed the labor of circulation will have to be paid with a portion of the value of the commodities they produced, and they will not be able to consume that portion of the value themselves.

The same applies to the production of gold to function as money. Let's assume that every year this gold is produced, wears out in circulation, and disappears; and that society has 100 units of social labor available, but 10 of them must be spent producing gold-money. Only 90 units remain to produce use values for life. But the consumption of what those 90 produce includes the gold producers, who haven't contributed to those 90. However, this labor must be represented as value, because otherwise, they couldn't buy the products of the other 90. It's a society that produces 100 units of labor but only has 90 units available to reproduce life. And the labor involved in circulation is a necessary production due to the way the process of social metabolism is organized.

The guy shouting might seem like he's doing work that doesn't have a separate use value from the labor itself. But imagine someone who makes megaphones, and some of their customers use them to cheer on their team at the soccer game. This satisfies a personal need (we know that use value arises from the stomach but also from imagination): they shout louder with the megaphone. Up to this point, it's the same as the meal they ate before going to the game. But now it turns out that

someone else buys the megaphone because they realize their voice takes a long time to reach other buyers, and they always end up being the last one sold. They buy *the same megaphone* and will *only* use it to shout at the market: this satisfies a need for personification, even though it's the same use value. But we have to assign social labor to producing the megaphone that will be used in circulation, which must be represented by its attribute of interexchangeability.

I see a construction worker building a house and fulfilling a human need. But I see the same individual building a bank, whose sole function is to transform money into commodities or commodities into money (or worse), and that produces no use-value for human life. Is there any difference between these two individuals? When we examine the circumstances of the working class, we will confront this question of use-values produced for circulation, which must be raised when we look not only at the production process abstractly, because there are also things produced for circulation that are not... If one is going to say that the work of circulation does not produce value for the commodity that will be sold... But, if it is done privately and independently, its product *needs* to be represented as value.

suppose he works alone in his workshop and produces car bodies privately and independently, one for an ambulance and another for an armored truck. When he produces the truck, which has the same use value—and let's imagine it involves the same expenditure of social labor, therefore they have the same value—he is satisfying a need of circulation, while the other satisfies a human need. One is an expenditure of circulation, and the other is not. Gold has a dual use value: when it serves as money, it requires that the labor materialized in that production be represented as its value. The shock was that Marx later said it had no value. And so, what one finds very generally is that this contradiction is overlooked; it's said that when it appears to have no value, it doesn't matter, and one moves on. And throughout Volume 2, Marx, every time he has to explain some determination of value, says: let's consider gold to be money (also in Volume 3). Therefore, one cannot overlook the assertion that it is unproductive labor of value, because the entire argument would be invalidated. That's why it's important for me to address this issue from the outset, because otherwise, one will develop a series of arguments that, at a certain point, will lead to the realization that everything argued up to that point was meaningless. One would have to start over, but to do so, one must consider this point.

[Gonzalo asks why this circulation work cannot be considered to be increasing the value of capitalists' commodities.]

For now, we don't have capitalists, but rather commodity producers. I take the pair of *Zs* and sell them instantly, and [in another case] it takes me 10 hours to sell them. The use-value of the pair of Zs hasn't changed; the same amount of labor is still embodied in that product, its value hasn't changed (although the price has increased). Worse still: there are cases in which the use-value is lost: I spend 10 hours with the Ñs cooked, and they have lost their use-value. What the circulation process can imply is that to preserve its use-value, more labor must be applied, and depending on how normal that extra labor is, it will or will not constitute part of the commodity's value. I have to put 50 units into circulation because if I take them

one by one, the transportation costs (transportation being part of the labor that produces use-value) would bring the total labor expended to an enormous sum. I know that the 50 units won't sell instantly; I'll have to spend money storing them, and that's part of the normal process of producing this use-value. But in the other case, there's no transformation of the use-value.

Gonzalo: When you pick up an apple… You are not transforming the use value, but in some way there is a valorization.

JIC: Yes, it is transforming it. It's like an apple on a tree: if I don't have access to it, it doesn't have use value for me. It becomes use value for me when it's in a place where I can take possession of it. That labor is part of the production of that use value. That's why all the work involved in transportation is productive of use value. Another example: a bottle, when it's in the supermarket warehouse packaged with a bunch of other bottles that are inaccessible to me, doesn't yet have use value for me until it's on the shelf [66].

Gonzalo: Is circulation the period from when it's on the market until I buy it?

JIC: When I go to the checkout and the cashier's function is *purely* to transform commodities into money: *that* 's a job of circulation. Now, it's not that simple either, because the cashier, while scanning the commodities to convert them into money, is also updating the warehouse inventory and participating in how the transport of those commodities from the warehouse to the shelf is organized, but also how their transport from the producer to the supermarket is organized. So they are participating in the process of creating use values; they are productive (regardless of whether or not they are productive for capital).

There are many discussions regarding how value, and the valorization of capital, is measured and manifested in the concrete forms of statistical record-keeping. And therein lies the problem of whether one differentiates between what is productive work for individuals and what is productive work for personifications, what is waste and what is not. Both are human needs, and in this society one can never cease acting as a personification. These seemingly simple wastes could be eliminated, but this is impossible as long as the organization of social labor remains private and independent. Everything done in a bank is for circulation, but what is done in the steel industry is partly for the production of use values for human life and partly for circulation costs. The steel that will be used for the armored truck, when it was being produced, was not going to satisfy any human need. I look at the metalworker making the steel and I can't tell if what he is doing is work that produces use values for individuals or work that satisfies personifications. Marx will see it with the figure of the commercial capitalist who buys and sells, he sees it that way at the beginning with the DC-Mmovement, and expenses linked to that movement will appear.

[Juliana asks if gold has value because it contains objectified social labor.]

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[66]The bookshelf.

Gold has value, whether used for circulation or to meet a personal need, because it is a product of SNALdPaI. Later, we will discuss the functions of money and what happens to gold as money, but without altering its value: it always has value. The question is whether it can be replaced [as money] by things that have no value.

[Aristides asks about those who buy to sell.]

That will appear in Volume 3, from the middle to the end. There, a different situation arises: there's a change in ownership of the commodity, and one has to see what's at play, why one individual sells the commodity for its value and another resells it for a higher price: What was the value? And later we'll see what happens. Here we're not talking about something that is bought and sold, but rather something produced for circulation, whether it's gold, certain use values objectified in the form of a service, or products separate from the production process. One observation stemming from this: it's not simply what happens when buying and reselling, but something one has to consider when buying flour to make bread. When the baker bought the flour, he recognized that it was the product of a social transaction. From the miller's point of view, the movement of his commodity ended, and it was recognized as a product of social labor. But let's imagine three things that they can pass it to the baker:

1) He used the flour, made the bread during normal working hours, and sold it for its value. The value of that bread includes not only the labor of kneading and baking it, but also the labor involved in producing the flour, for two reasons: it's part of the labor expended in producing bread, and also because of the point you made.

2) Let's suppose that in that society, it was decided overnight that no more carbohydrates would be consumed. The baker made the bread, and now that bread no longer has social value; that labor is no longer recognized as socially useful. The one who pays the price is the one who bought the flour, acknowledging the miller's work as valuable; they can't go and demand compensation.

3) The bread burned and has no use value. His work is now revealed as socially useless because his product has no use value, and the miller's work in that specific form also ended up being useless, but for the miller, it was already recognized. Neither the baker's work nor the miller's, which he did recognize, will be recognized as socially useful for his work.

So, one has these determinations.

[Answering another question] One has to distinguish the product of value (new value that was produced) from the value of the product: in it is the value of the means of production that have to be preserved because they were part of the socially necessary labor to produce it, but which, as it was used in private work, has to be recognized again as socially useful.

[…] From the perspective of the human life process, the costs of circulation are wasteful, and therefore society in the capitalist mode of production tries to minimize these costs. Later we will see what happens with gold and other forms of value, which is a way of reducing unproductive labor expenditure.

Gabriel: Wouldn't *all of these be* needs of personification? The reproduction of the individual's daily life, such as food and recreational activities... Aren't these also for the valorization of capital?

JIC: Let's not jump to valorization because we're not there yet. What constitutes a use value for a person is determined by the general social relationship. We said that what constitutes a use value depends on each society; we didn't say that cooked meat is a use value for me as a means of subsistence, but raw meat isn't. The difference lies in this: does the expenditure that must be made directly or indirectly reproduce a human body, or does it simply serve to transform commodities into money and money into commodities? With our consciousness as free individuals, since we are personifications of commodities, we relate socially as such, but we don't reproduce our bodies as abstract personifications: we are people who, in our social relationships, behave as personifications. If one considers it in the immediate context, what one will always have to do is govern one's production as a personification, but one is performing an activity proper to persons: productively expending one's body. And once he has the product of his work, that's when he will act as pure personification; he is no longer producing any use value that serves to consume as a person and reproduce the body; he is no longer acting as a person.

As we move forward, we will see the specific factors that determine how certain people govern their individual consumption, how their use-value is defined by their personification. We will see how personification develops and where it appears that something is a use-value for *this* or *that* reason; until now, we haven't asked ourselves why something is or isn't a use-value. It's difficult to draw an absolute line between what satisfies human needs, what constitutes a circulation expense, and what is related to personification. The production of weapons for hunting animals is a use-value for people, but if it's for killing other human beings, is it a use-value for people, or is it produced under the condition of personification? The bonds one has with others, which sometimes lead one to want to kill them and other times to do so without hesitation, are related to factors such as personification; they arise from the nature of the social relationship [...].

[Answering questions about consumption as a person or personification]

The work of circulation is that which produces things that serve only to facilitate the movement of the social relationship, which, being an objectified social relationship, must be produced, because social labor takes this form. Then we have jobs that produce use values for people, to reproduce their bodies directly or indirectly (means of production that serve to produce means of subsistence), work that must always be carried out in any society.

Ignacio: When we say that for vegetarians meat is not a use value, isn't that what liberal sectors say, that use value is subjective?

JIC: The question of why something has use value is always at stake, and we haven't seen that yet. Neoclassical economics proposes—and it's clear that use values are subjective, that one always values use values in subjective terms—but that has nothing to do with determining the value of commodities. This has been the case since Smith's analogy with water and diamonds, and later Ricardo himself would add it, saying that use value is a condition for value to exist, but it has nothing to do with determining exchange value. This was already clear in classical economics. One always values in terms of use values, and valuation is subjective, but whether I value something a lot or a little doesn't change its price (the expression of its value). Neoclassical economics reverses this as if it were the determination of value. The question is, what determines subjectivity? Why is meat universally considered a use value in a given society, and why isn't it in another, or in a segment of another society? There, one has to consider the concrete determinants of subjectivity, what place they occupy within the general social relationship, and what specific forms that social relationship takes for these individuals. They say there's no accounting for taste, but the price of commodities is entirely fixed: it doesn't depend on subjectivity.

Next, we'll look at how price can determine whether something has use value for me or not, but its value has nothing to do with my opinion on whether that commodity is worthwhile. Price depends on the amount of resources (SNALdPaI) spent producing it. What neoclassical economics does is use "value" in both of its senses: it appears as a "moral" valuation, meaning that I value things according to their utility, and thus the prices of things are derived. Then it separates substance from form (value/exchange value), leaving the term "value" to refer to the magnitude of an attribute that commodities possess. The valuation that each person makes… Which they always make in every form of society: this is a use value and this is not, this is an important use value for the life of society and this is a use value that is not so important… But value does not arise from there, which is a historically specific form of social relationship: it is not an abstract attribute, but the way in which the social relationship is established between individuals who are reciprocally free because they perform their social work privately and independently.

[Gabriel asks if virgin land is also a product of human labor and would have value, because we have influenced the shape of the atmosphere now, etc.]

That virgin land is a result… In reality, everything on the Earth's surface within the reach of human action is clearly, at this stage of human development, a product of human action. This does not mean that this product takes the form of the product of social labor performed privately and independently. It is a consequence of human labor being organized as it is. But there is no organization of the social life process that is mediated by the transformation of these results of labor into values. There is a reversal in the image that, in reality, all expenditure of human energy *or Non-human activity* produces a social relationship, but a social relationship is a relationship between people who, in the process of appropriating

the environment (and in that process the environment is transformed by human action).

The problem at stake is how to assign each member of society what useful work they will perform. And the land doesn't work; it's not a living being. It's the inorganic substrate upon which a series of living beings of varying "caliber" act: microorganisms, plants, and humans. Microorganisms are a medium for plants, and indirectly, they are a medium for humans because plants are directly a medium. And what's at stake with the production of value is how humans organize their actions, how the use of the environment is governed. There is little virgin soil left on the Earth's surface today. But as it is, work must be applied to it to obtain a product.

[…] Any human action upon the environment that does not transform it into a use-value appropriated by the human subject, but rather is a consequence of the production of use-values… Human labor is not assigned to produce that environment, unless the environment is itself a product of conscious and voluntary human labor. It is a consequence of human action. It does not take the form of value. The notion that everything produces value is commodity fetishism taken to its extreme. Fetishism is viewing the products of human labor as inherently value-bearing. The next step in fetishism is to think that nature *itself* produces value. What is a historically determined human relationship, which transforms the environment in a particular way, becomes the natural action of the environment. In ecological approaches and ecological Marxism, these inversions appear, this naturalization of social forms to the point of viewing nature as if it were itself a bearer of social relations.

Gabriel: This man also said that absolutely everything was mediated by labor, therefore it has value. He gave the example of global warming as a product of human labor… And it bothered me a bit.

JIC: That it's the result of human labor… Okay, but that it has value… If it's not use value, it's not the product of SNALdPaI, of work with the conscious and voluntary aim of producing use values… It can be a consequence of human labor in its materiality. That this materiality is a manifestation of the way human beings organize their life process, also true. But that it has the attributes of a commodity… If it did, this wouldn't happen to these subjects. It's the naturalization of a specific social form to which all specificity is erased, and consequently, all possibility of acting consciously and voluntarily upon it; my action will be blind.

Often, the actions presented in this way imply that if human beings weren't alienated by commodities, we wouldn't do these things. But we are: the question is why we do what we do because we are free individuals alienated by commodities. Underlying all these arguments is this: freedom is a natural condition of human beings; the capitalist mode of production fell from the sky and ruined our natural freedom as free human beings, and now we have to oppose this thing that annihilated our freedom. And what we've seen is that it's not a natural attribute, but a historical, natural relationship, and that the capitalist mode of production didn't fall from the sky but is a form of the development of the human capacity to

appropriate the environment, the development of the productive forces. At the same time, while it can, it "screws up" [destroys] the environment. Until it starts to require more social labor, performed privately and independently, to screw up the environment than to conserve it, and that's when environmental preservation emerges.

[…] And that is the impotence that comes from the ideological representation of the human condition as abstractly free by nature, because then one is disarmed in the face of the concrete determinations one must confront, and believes it is a problem of an abstract will. But it is a problem of that specific, determined will, and one must advance in the development of the determinations of that will. […]

Xatan: I understood that a use value is social, not individual.

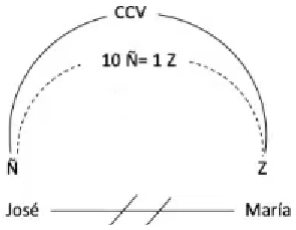
JIC: I said that we have to see how that individual subjectivity is determined. For one part of society, something might have use value, and for another part, it might not. The question is, what is that subjectivity for which this has use value, and what is it for which it doesn't? We talked about the social and individual character of consumption (I have to appropriate the use value), that I consume products of social labor. Therefore, the determinations of my consumption, from that point of view, already have a social character. What do I consume for? To be in a position to work again as an individual organ of the social life process, for others. All work in society is governed by the social relations that prevail in that society, and in that sense, it's not that the individual work one does to consume for oneself (not for others) isn't social work, but it is socially governed: my [individual] consciousness and will are socially governed. The confusion may stem from this dual meaning attributed to social character: there is no individual who is not a bearer of a social being, and everything they do is an expression of their social being. But specifically, when we speak of social work, we are referring to work done so that another individual has a use value for themselves, and individual work is work done to have a use value for oneself. However, it is clear that *all* work and consumption are socially governed.

One is not yet explaining why the stomach and the imagination crave this and that. This will appear at the end of Volume 1: why some things are use values for one person and others are not. If we try to answer why this in Argentina is a use value for a certain type of subject in social life, who is in such a condition with respect to this, this, and this… That is what people who work in advertising need to answer, those who operate on alienated consciousness at a certain historical moment based on cultivating the appearance of human freedom, because it is the condition for the production of a certain type of labor power with certain productive attributes, which in a society where there are no personal attributes, is achieved through the consumption of one use value or another. I will state it, but without discussing it now: Why are the same sneakers with three stripes on one side, and identical ones with two stripes on the side, not the same use value for me? Why do some social subjects within the same society need to consume the ones with the two stripes? I'd like to believe that one is of higher quality than the other in terms of its material attributes beyond the three stripes, but I wouldn't be so sure. I've been running for many years, and I've used different shoes, but what

they sell me is the idea that when I go for a run I'm like Usain Bolt; I delude myself into thinking I have something in common with that guy. And yet, they're not the same in terms of practical use. [It's not mere deception; they are, in fact, different (to satisfy that fantasy)].

[III]

We were looking at where the movement of unity between production and social consumption is exercised, is realized: it is in circulation. When we were about to delve into circulation, we encountered the question of how gold has been separated as the general representative of value (and this is a privilege for gold producers), thus representing the world of commodities, immediately exchangeable for any other. At the beginning of Chapter II, commodity owners appear, having to act as personifications of commodities. And Marx will say that here there is an economic relationship that takes the form of a legal relationship: the contract of sale. This is one of the few times that the relationship between the economic base and the legal superstructure appears.



We are talking about a process of social metabolism, of human beings entering into social relationships with one another. It is a relationship between persons, and we will represent them as Joseph and Mary. What is peculiar about this relationship between them? It takes the form of no direct relationship between persons: they are mutually free. How do they enter into social relationships? Indirectly [dashed lines] through the production and exchange of their commodities ($10\ \tilde{N} = 1\ Z$), which determines them as personifications of their commodities. And to refer to them as personifications, I call one "Mr. Gnocchi" and the other "Mrs. Shoes," because from the point of view of their social bond they do not count as Joseph and Mary. And as personifications they enter into a direct, conscious, and voluntary relationship, which is the sales contract (SC), a legal relationship.

Marx will then argue that this indirect economic relationship cannot exist on its own: commodities cannot go to the market by themselves; their owners must bring them. Their owners can compel them, but they will be acting on their behalf. It will then become clear that the economic relationship, which is the basis of this social relationship—its content—can only be realized in the form of this legal relationship. These are not two mutually external entities: one is the content, and the other is the form of the relationship.

[Gabriel asks him about ethics]

Ethics is an ideological form of the economic relationship. Marx groups legal and political relationships and synthesizes them as ideological relationships. The legal relationship stems from the appearance that individuals, reciprocally free by nature, are bound by certain attributes represented as ethics, which in practical

operation are represented as morality, and reflect these forms of consciousness of the commodity producer. It is not that on one hand there is the exchange of commodities, and on the other, ethics, which comes to fulfill a role in the legal relationship: this arises from the abstract free nature of individuals; it is the ideological representation of what the relationship between commodity owners is. The first of these is private property, a form of property that results from private labor. And he will say: since the individual is free, he has the right (it is ethical) to dispose of what is his.

Chapter III. Money, or the circulation of commodities

Up to this point, money is not the active subject of commodity circulation; rather, it is the commodities that circulate and move money. We will now examine why, in the circulation of commodities, the non-active subject appears as the central issue, and what is actually the content of what we will observe in motion emerges as a clarification. We have already explored the substance of value as its content and its form as exchange value, and the general expression of exchange value in money as its form—price.

1. Measurement of values.

Marx begins by saying (and this will be the case throughout *Capital)*: we will always consider gold to be what functions as commodity-money. He will repeat this many times. What follows is that brief analysis that begins each chapter, expressing the unity of the dialectical method. We know what gold is as money, that it allows the world of commodities to express their value in a single form. One will find references not only to gold, but also to silver, and it will become clear that if the expression of value does not have a single form but rather different forms, problems arise with quantitative measures.

The analysis continues, revealing that it is not money that makes commodities exchangeable: it is the other way around. Since all commodities are materializations of SNALdPaI (value), they are measurable in quantities of the gold standard and thus express their value. Money is the representative of the world of commodities, of value; it represents social labor performed privately and independently. The question will arise as to why, if value is quantities of labor, it is not expressed in quantities of labor. This has already been answered, but it will become more explicit. It is because labor is not directly social and has no way of manifesting itself as social except through the exchange relationship, as exchange value.

When Marx examines this, he refers to labor-money, or what appears in other translations as "hourly vouchers" or "labor certificates." This is one of the starting points from which Marx develops his theory of the determinations of value, the discovery of its substance. This is elaborated much more fully in the *Grundrisse,* where Marx doesn't begin with the commodity or value, but with the problem of money, discussing the proposal of a Proudhonian, an anarchist, to replace money with hourly vouchers: someone works 10 hours and is given a slip of paper that says "10 hours of work," goes to the supermarket, and there's a label that says "5 hours," "10 hours," and so on. They take these products, go to the checkout, hand over the vouchers, and receive the product of those hours of work. Marx then elaborates on what this proposal implies: the idea of producing commodities whose value is expressed in quantities of labor.

To summarize: for this to be possible, there would have to be someone (a person or organization) determining the specific work each individual will

perform to produce what appear to be commodities in this discourse. And they would have to specify the amount of labor time required to produce each of these supposed commodities. Because if I'm given a voucher for the work I did that says "10 hours," I actually have to spend 10 hours producing that commodity. But if someone tells me that, they have to tell me what production technique I need to use, and also provide me with the means of production necessary to spend 10 hours. They can't tell me that gnocchi are made in one hour with a dough mixer, because if I don't have one, I can't spend one hour. Furthermore, they have to tell me how much of each type of product will be produced. This is the opposite of commodity production; it's a direct organization of social labor presented as if it were commodity production. And then Marx turns his criticism on Proudhon (at one point they were even friends and political allies, although they eventually became estranged). Something inherent to private labor is presented as if it were inherently social; this is the critique of this inversion. And even within Marxism, there are proposals to replace money with labor certificates.

Xatan: I have colleagues who were wondering whether socially necessary abstract labor is commensurable or not, and if so, whether it can be measured in working hours in that sense. Because otherwise we would fall into subjectivist theories of value itself.

JIC: Abstract labor never manifests itself as such in the value of a commodity. Because it is social labor performed privately and independently. And even the simplest form of its expression in normal circumstances is an average. I see two individuals working, and even if I were to measure the overall labor time they are spending—which also depends on the intensity of work, and so on—I would get different values due to the technical differences between them. And it never manifests itself as such. When one speaks of labor productivity, what one is relating are concrete materializations, but one is not immediately comparing concrete jobs as such: one is comparing quantities of labor, and the only way to add them up is as the productive expenditure of the human body applied to produce a certain use value over time. Furthermore, the problem with measuring abstract labor performed privately and independently is that I can look at an individual working and I don't know if that is socially useful, if that is the socially necessary way of doing it, if it is with normal productivity…

Strictly speaking, abstract labor cannot be measured *as such,* nor do I need to measure it at all, because it has an expression that mediates the movement of the social relationship. It's not that I miss measuring abstract labor: it's measured in its concrete form, its materialization as exchange value. As we move forward, we'll see that even the way value manifests itself is indirect, that it constantly manifests itself as a deviation from itself. I can roughly measure quantities of abstract labor without knowing whether it's socially necessary or not. If someone who spent 10 hours is given a 10-hour bonus, but producing the commodity they were going to produce required 9 hours, will they receive the product of 10 hours in exchange for the fact that they should have actually spent 9 hours and not 10? All of this is resolved in circulation, through exchange, in a movement that operates "behind the backs of the producers," as Marx says. It's not a subjective problem.

Value, whose substance *is determined* quantities of labor, cannot be expressed in quantities of labor because it is not directly social labor. Marx exemplified this: if labor were directly social, he would say that John Doe has to do this work, spending this amount of time, using these means of production, and working with this production technique, and has to produce this quantity of units because this is the social need for what he is going to produce. In a society with this character, there would also be no need to give bonuses for quantities of work; it would be assigned: since you work doing this, this, and this, you will consume this and that.

In the capitalist mode of production, this is resolved as follows: there is an individual who performs this specific, socially useful labor, sets in motion the normal production techniques for that society, and produces the normal quantity for that society… But the only way this social labor, being performed privately and independently, can manifest itself is in the form of exchange value. Anything else would imply direct social recognition, and then no commodities would be produced. The problem is this: it is a material expenditure, objectified in its product, but it expresses itself in this way. When we look at the consciousness of the commodity producer, we saw that alienation *is expressed* in the form of freedom. If someone asks me: but where is the alienation? I have to look at freedom because that is the form in which alienation exists.

Regarding what your "opponents" are saying in this discussion… It's as if I were to say that the relationship established through commodities doesn't exist, because I never see one commodity taking the place of another, but rather individuals deciding that what is in one person's hands passes into the other's, and vice versa. So it's as if they were saying that the legal relationship has no content beyond itself. I've never heard those arguments (although I know where they might come from, from the idea that labor becomes abstract in exchange).

Xatan: That's not my position, but if someone says, "I can measure all the work and hours invested in that product, and then I see that in that market the product has the quality of being useful," I can recognize, through an average or something similar, that this specific number of hours has been invested in each job. What they ultimately argue is that socially necessary abstract labor can be measured, and you can say that a given commodity contains this number of hours of labor. That seems problematic to me, but I don't know exactly how to respond. That regardless of the object's utility, if you later recognize it as useful, you only have to go back and see the number of hours invested in the previous jobs, and there you can say that there's a certain number of hours invested, and you could answer that.

JIC: What appears there is this: I've already seen something that's recognized as socially useful labor. But the problem is that I have to express the value when that product isn't yet recognized as socially useful. It's in the exchange relationship where its usefulness becomes evident: how it was exchanged, it was socially useful. Now I'm going to look at how it was produced, and my problem is that I won't have anywhere to simply look at it, because it's the average of a series of labors from different, independent producers who all produced the same commodity. Suppose I go and ask them: how many hours did you work? One tells me 10 hours, another 11 hours, and what each one produced, and I calculate the weighted average and

say: this is the amount of labor. Were all the units of that commodity sold, or could some not be sold? Were they sold for their value or not?

And Marx will say: this is one of the advantages of value not being expressed in quantities of labor. Because if I look at the exchange relations between commodities, fully as products of capital in circulation, I won't see proportions of labor, but rather how those proportions of labor appear mediated (by another determination that is not present until now) and which will not allow me to recognize that there was twice as much here as there (not even if there were 10 here and 20 there). And this is how the unity of the process of social metabolism is resolved here, indirectly, a posteriori (if it were directly social, it would be beforehand). So, tell them to bring you a concrete measure of the quantity of abstract labor and where they got it from. One doesn't have quantities of hours of labor either, but rather a mass of value; one can say abstractly: each hour of labor is represented by this quantity of value. But one cannot know how much labor is contained there and doesn't need to know because the unity is established in another way, through exchange. But ask them and see.

Xatan: The worst part is that yes, they do it.

JIC: The question is how they have it made, it is not: "We counted 100", but what is the quality of what they counted when they counted 100?

Xatan: Wait, I've found it and they're even quoting you [Laughter].

JIC: Worse [Laughter].

Xatan: There it is, I've uploaded it [67]. Basically, it argues that value can be measured directly, that a calculation of value can be made prior to the exchange of commodities. […] The problem is that it's based on an argument where he confuses the determination of value with value itself [68].

Juliana (Chat): A proposal only possible in a planned economy, and one that does not solve the problem of value production…

JIC: Regarding Juliana's question, a planned economy where labor is directly social… What we're going to see is that within private labor, work takes the form of planned organizations, but the issue is whether private labor has disappeared. I should clarify that there's a line of thought within Marxism, which I already mentioned [cyber-communism], that represents the economic arm of 21st-century socialism, which argues that value can now be replaced by time-based quotas. All Ricardians continue to say that value is expressed in quantities of labor (they don't differentiate between substance and form), which is what Marx criticizes. The problem wasn't simply discovering the substance, but rather why that substance takes a form entirely different from it. They can't answer that because they would have to acknowledge that this isn't natural, but rather a historical form of organization of the social metabolism process.

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[67] **Xatan** [Chat]: https://twitter.com/comradehector/status/1425801162452783107 .
[68] **Xatan** [Chat]: https://twitter.com/comradehector/status/1425635147618168836 .

Let's continue; we still have some things to discuss. It follows that the expression of value in money is the price-form of commodities; it is the general relative form of value. And if one wants to see the relative form of the value of the commodity that functions as money, Marx says that one must turn over the list of all the quotations of all the commodities in society, their prices, and each of them will function as a special equivalent. But the condition of money can only be recognized if all the other commodities are also included. And the last aspect that will appear here is that money *has no price.* The value of all commodities is expressed in money in the price-form, but money has no price because no commodity, not even money, can express the magnitude of its own value; the value of money can only be expressed by taking all other commodities as special equivalents. Therefore, gold cannot function as its own equivalent. The price of all commodities does not tell me the value of gold, but rather the value of all commodities. Gold functioning as money has no price.

Then it becomes clear how this function of money as a measure of the value of all commodities appears in the consciousness of commodity producers. It is already socially recognized in their consciousness as the general representative of the value of their commodities, and *ideally,* they can express the value of those commodities by "putting on little pieces of paper" the amount of gold, the price of those commodities. One can "ideally" measure the value of commodities with "ideal gold," imaginary gold; one doesn't need to have the gold to measure its price. In this sense, when measuring the value of commodities, money functions as imaginary or ideal money. We will later see what happens to money when one actually wants to enter the exchange process. But even in this measure with ideal gold, what determines the magnitude of the price of commodities has to do with the socially necessary abstract labor that must be expended *materially* to produce not only the commodity, but also to produce the gold.

By using different commodities as money, a given quantity of gold embodies more abstract labor than the same quantity of silver, and even more than the same quantity of copper. This results in three different prices depending on whether the value is ideally measured in gold, silver, or copper, hindering the practical flow of exchange. Since the function of money here is to measure value, and the value of a certain quantity of gold depends on the amount of abstract labor, to *compare* the prices of different commodities, even ideally, I need different quantities of gold. If producing one commodity and one ounce of gold requires 10 hours of labor for each (I'm using the terms Xatan's friend prefers, but they aren't commensurable), their price will be one ounce of gold. But if producing one unit of another commodity requires 20 hours of labor, its price will be two ounces of gold. Different quantities of value are universally expressed in the same substance (gold) but in different amounts. And then the need arises (I'll leave this undeveloped due to time constraints) to establish a system of measurement standards to measure it, just as with any other quantity that needs to be measured. What conditions must this standard satisfy?

[Responding to Aristides about the 3 minerals being equivalent.]

It complicates the exchange, because I would have three prices for the same thing (we'll see later in the price pattern how gold acquires a monetary name). And if the productivity of the labor that produces silver changes, the price in gold and copper remain the same, but if before the price in gold was double that in silver, suddenly it's three times the price in silver. It makes the whole movement confusing. Already in Volume 3, this will appear with a whole series of complex movements when the exchange ratio is manipulated, and then the value of silver changes but not the exchange ratio x gold $= y$ silver, and it's possible that one is recognized as having more exchange value than the value it actually contains. What happens (I don't remember if it's already in Volume 1) is that if silver becomes cheap relative to gold, there's a run from gold to silver because sooner or later the determination of silver's value will prevail, and then the exchange becomes difficult; these run phenomena appear against one of the forms of money. And so, the purity of this movement is achieved with money in the form of a single commodity. Because it was the universal expression of the value of commodities, their simplest form, since all are expressed in a single body.

There are examples in Argentine history involving gold, where changes make it difficult to compare what were called "strong pesos" with "gold pesos." They cannot be compared directly because they contain different amounts of gold. The same occurs with the same material: if the amount of gold is *arbitrarily changed* (not due to changes in labor productivity), one quantity of gold appears with one name, and another quantity appears with practically the same name. We will examine all of this in Chapter III.

I don't know if I'm going to look at what this guy is saying… [Tweet from Héctor] And he's saying it on Twitter! Value is a historically specific social form. If communism is the directly social organization of the process of social metabolism, then value as a specific form doesn't exist. What Marx is saying is that the *substance of value* (TaSn) is common to all forms of society, but that doesn't mean that this substance *exists as value.* In Volume 3, there's a place where Marx uses that, where he refers to value, saying that even after the capitalist mode of production is overcome… And he starts talking about price. Now: after the capitalist mode of production is overcome, there are no prices, no commodities, no private labor, and no value.

[II]

We were talking about the need for a standard system that allows us to compare certain defined quantities of gold with each other. We need a unit of measurement, and in relation to that unit, we need to establish fractions of the unit and multiples of it. What will then emerge is the function of money as a price standard. Its basis is the weight of gold, whatever object will function as money. This system is external to the determination of the value of commodities; what it does is compare quantities of gold with each other. We will then be able to express the value of all commodities in quantities of that unit we define to measure the price of commodities. What will happen to this function of a price standard? Gold serves as a measure of value because it is itself a value and therefore itself variable; it changes according to the productivity of the labor that produces it, and consequently, the expression of value in quantities of gold changes. The function of the price standard is entirely different because it is an external measure that compares different quantities of gold with each other. The more stable this system is, the easier it will be to fulfill its function.

For example: certain quantities of gold must be assigned a monetary value. This is the structuring of the standard system. So, in its historical development, which stems from the system of weighing things with scales, the standard begins with the structure of weight scales. It is something external to value. Sometimes we (Latin cultures) are accustomed to the idea that every measurement system is a decimal system. Then it seems that the problem of the price standard is absurd, because I know that fractions of a kilogram, for example, have multiples of tens, hundreds, etc. But the historical development of the price standard comes from contexts where the metric-decimal system does not prevail. Therefore, different proportions appear. The classic example is the former situation of the English currency, which since the end of the 20th century has been governed by the metric decimal system, but which historically had a standard structure that came from different sources and formed that unit. There was the pound (£), which corresponded to 1 pound of gold, but there were also shillings (sh.), 20 sh. = 1£, and pence (d.), which if I remember correctly, 12 d. = 1 sh. [69]Then conversions and comparison become more difficult.

There is another historical example of a different measurement standard: the Treaty of Tordesillas. This treaty divided the world between the Kingdom of Castile and the Kingdom of Portugal, establishing that each would be entitled to a territory defined by a line a certain number of miles away. And so began the debate—because the standard was flawed—about whether these were land miles or nautical miles. Portugal wanted them to be nautical miles because they are longer, while Castile wanted them to be land miles because they are shorter. Much of a series of historical events involving Buenos Aires and Colonia (Uruguay)

[69]I have corrected the measurements according to the "Table of Weights, Measures and Coins" which appears as an appendix in the Akal edition (Book I – Volume I, p. 415). Money appears divided into even more coins such as the *farthing* (1/4 d.), or the guinea (21 sh.). This contrasts with the French franc (1 *franc* was equivalent to 100 *centimes)*, which is closer to the systems currently used in most of the world, including England itself (currently, 1£ = 100 d.).

unfolded along the path of this treaty line, as it fell on one side or the other depending on how it was measured.

If I look at the price patterns in Argentina throughout my life, they've changed about five times. There were the pesos moneda nacional [M$N], then the pesos ley 18.188 [$], the pesos argentinos [$a], then the australes [₳], and now these pesos [$]. These are changes in the structure of the standard, because what was 100 in the old standard is now 1, and so, when you get used to one standard and it's changed to another, this confusion arises. This standard needs to be stable and clear, governed with general validity in this way of organizing the process of social metabolism, and that standard will ultimately be set by the state.

Marx identifies three factors in the historical process: 1) the introduction of foreign currency (which comes with a specific standard); 2) the displacement of less precious metals by more precious ones as the mass of value that must be expressed grows, becoming increasingly difficult to express with a less valuable metal; 3) the counterfeiting of money by princes (this is further elaborated upon later). He concludes that the structure of the price standard must be regulated by law. There is a unit divided into aliquot parts, and this determination will be established.

[Answering questions] The price of commodities will be named not in quantities of value contained in gold (because value is never expressed in quantities of the value of another, but in quantities of its substance). Now I have to name a certain quantity of the *substance* of gold, which I will define as the unit of measurement for the prices of different commodities. Where will the standard system come from? Since the way to compare quantities of gold is through weight, what will be adopted is the name of certain quantities of weight (in this case, of gold). And now we have to measure different magnitudes of value that correspond to different quantities of gold. In order to structure all this measurement, it is necessary to establish a scale of comparison in gold, which one could say comes simply from the comparison of quantities of gold on the scale, the name given to this quantity of gold placed on the scale, and what name I give, for example, to double the amount of gold, half, etc.

The system is a name; it's always external to the object itself. We have a temperature measurement system that's external to the temperature. If I say that water boils at 100°, it's because I've said that this quantity of heat is called "100°," and if the water doesn't boil when you put it at half the temperature, I call it "50°." We use the metric system for most measurements. Practically the only exception is the time standard. So it seems strange to us that there's a problem between giving a name to this quantity of gold and half of it. One of the things that happens with this, if you take the time standard system, is that when you have to divide a certain amount of time, you can't just keep adding zeros to incorporate decimals: you have to convert to the smaller unit when there's a remainder; you have to take a fraction of a minute and multiply it by 60 to convert it to seconds.

In Argentina, 1 peso was a specific amount of silver placed on a scale. That's why many coins retain their name as a unit of weight. […] The pound changed to

the decimal system when shillings disappeared, and 1 penny became one-hundredth of a pound. And that's what changed to what I meant by 1 penny.

Regarding the counterfeiting of money by the princes… [This has been mentioned in the discussion] they weren't changing the standard. For example, the currency was called a “pound” because, when placed on the scales, it weighed one pound of gold. In the counterfeiting process (I'm mentioning this in advance), the princes called all the pound coins in circulation to be melted down, they melted them down again, added half a pound of gold and half a pound of lead to each one, and put them back into circulation with half the gold content but with the same name. Each one represented less value than before because it had less gold content, but the standard didn't change. I'll take an example from Argentina where there was a change in the standard. From 1825 onwards, if I'm not mistaken, there was the peso fuerte [$F], a coin that had a certain amount of gold in its body. In 1882 the standard was changed, it was replaced by the sealed gold peso [o$s], which has a different fragment of the amount of gold, and 50 cents of gold peso are not the same amount as 50 cents of strong peso.

Javiera: I don't quite understand how changes in the productivity of the work that produces gold are expressed, since gold is on the equivalent side; it's not clear to me how that movement occurs.

[JIC explains to you, using the outline in Chapter I, section A.2.b), how changes in labor productivity affect the value of commodities that are relatively expressing their value and the expression of value].

[…] I make this observation. We had reached the conclusion that this must be fixed externally and with a universal character. And then, the figure of the state appeared as opposed to autonomous regulation in terms of its form, because it is a direct regulation with a coercive character, which carries a necessity that arises from the indirect relationship, which takes the form of a direct regulation in order to operate. But this produces an initial contrast with the absence of a direct, coercive relationship between commodity owners.

Now we have quantities of money with a monetary name that expresses the value of commodities in quantities of that unit bearing the monetary name. Marx observes: there is a development of money fetishism; it seems that money's capacity to express value springs abstractly from its own name and not from the fact that it contains a substance of value. Here a definition appears, but it is not the starting point, but rather the end point: *price* is the name in money of abstract labor materialized in the commodity. Price always expresses the equivalence between two commodities: the one that functions as money and the one that expresses its value.

Here begins to emerge the possibility of a quantitative disconnect between the content and the expression of that content. This arises from the fact that value is expressed as an exchange ratio with money, but this does not mean that the expression of the exchange ratio with money is unequivocally the expression of the magnitude of value. Marx will present an example without fully elaborating on

what is at stake; it appears as a formal matter: I take a *quarter* of wheat to market, which corresponds to 2 pounds because it contains half an ounce of gold. Both have the same value because they are products of the same quantity of SNALdPaI. Consequently, 2 pounds is the monetary expression of the magnitude of value of the *quarter* of wheat; it is its price. But it can happen (he doesn't explain why here) that the wheat is quoted not at 2 pounds but at 3 pounds, or vice versa, that it is quoted at 1 pound. So, when the value of wheat is expressed as 1 pound or 3 pounds, there will be a quantitative disconnect between the substance of value (because in reality there is only the equivalent of 2 pounds) and the price of wheat, its monetary value. The value of the commodity is expressed more or less due to certain circumstances. Here, only the formal possibility of this disconnect is stated.

Marx makes an observation regarding money as time-based compensation, which directly expresses quantities of labor. Here, the unity between production and consumption is established indirectly, and the way it is established is precisely through the constant deviation from the norm, as something that is automatically regulated. The norm can only be imposed as an average in the absence of any norm. No one says, "This is the value of this commodity," but rather value is imposed through the permanent deviation of commodity prices from that substance of value.

In the next step, Marx posits not only a quantitative disconnect between the magnitude of the substance of value and its expression, but also a qualitative one: things that have no value, and yet have a price. Things that are not commodities, such as conscience and honor, can be valued in money and exchanged for money. They then appear to be commodities. I have some reservations regarding conscience and honor: what is paid for, if anything, is the action governed in a “dishonorable” manner. In this disconnect, something of substantial relevance to the entire development of the capitalist mode of production emerges, and particularly for the countries of Latin America: uncultivated land, where SNALdPaI has not materialized, has no value, and yet has a price. Here it appeared as a formal possibility. But to understand the reason for this condition, we must wait until the end of Volume 3.

Up to this point, we have been examining the structure of the standard necessary to measure the value of commodities, and we have stated that the quantitative proportions of the measurement correspond to the materiality of real gold. However, money can fulfill this function of measuring values as ideal gold. What is the condition for a commodity to express its value relatively? It must enter into an exchange relationship with another commodity; it must transform its form into the form of the other, take its place. For a commodity to effectively express its value, it must substitute its form for that of gold; it must be capable of alienation. And for the commodity to be alienated and transformed into the form of gold, it can no longer be ideal gold, but rather "hard cash." I can measure the price of all commodities in ideal gold, but to realize their price, I need to possess real gold.

Here, then, the function of money as a medium of circulation comes into play; now we enter into the actual movement of the exchange of commodities for money. What we covered up to this point in Chapters II and III were the “preliminaries” to

exchange; the conditions appeared, but the problem arose of how one commodity had the privilege of functioning as money, and it unfolded: gold can function as money because it is value, but to measure values, a price standard structure is needed, and now we have it. Only now are we in a position to enter into the real movement of commodities being transformed into money. [...]

2. Means of circulation

a) *The metamorphosis of commodities*

afterword to the second edition, Marx makes an observation about method and analysis: if one is fortunate enough to have adequately reproduced the concrete from which one started, and has been able to unfold all the determinations of that concrete, it can always appear that one has been dealing with an a priori construction. Some criticize him for starting with things that were products of labor, and for potentially taking land and not finding labor anywhere as the substance of value. Why did he take the products of labor? Because in that process of understanding, before or during the exposition, he had advanced enough to discover that the determination of value was the quantity of labor, etc. He started by taking a commodity, and its essence is to be a product of labor. Land, which has a price, is not a commodity. In the development of one's argument, the reason for starting from where one started must emerge; one must explain one's starting point in the exposition, in contrast to logical representation, where the starting point is merely stated without explanation.

[Ivan asks to what extent that separation between value and price can be made]

Now we will see why the price of a commodity is separated from its value, and Marx will not dwell on the mechanism by which value imposes itself in normality, in normal distribution... “Normal” because there is a type of phenomenon that is not directly regulated but indirectly, yet has a norm that imposes itself through permanent disequilibrium. Everything that is automatically regulated does so through a normal movement of deviation from the norm, like the tightrope walker, who, if he remained still, would fall: he is constantly falling to one side and each time he corrects himself and falls to the other. What is the deviation from the norm? Why must value impose itself through fluctuating prices? The mechanism is developed in Volume 3. There is a reference to it in Volume 1, but it is a mechanism that, when one looks at it at this point knowing only the capitalist mode of production through the simple production of commodities, is a forced explanation. [...]

When we look at the process of commodity exchange, there are aspects of that process that are mutually exclusive. We start from the premise that there are contradictions here (between social labor and private labor, etc.), and what Marx will argue in this regard is: the development of the commodity does not eliminate these contradictions; it creates the forms in which they can unfold. There is no other procedure for "resolving" the *true* contradictions: they are not resolved but rather develop until they are overcome.

What we have here is the movement of the exchange process, the circulation of commodities, which begins with the transfer of a commodity from one possessor for whom it is not a use-value to another for whom it is. And this is where Marx uses the expression that it is a "process of *social metabolism*." [70]What happens with this movement? Upon completion, the commodity leaves circulation and enters the sphere of consumption (and at this point, what happens in consumption is not relevant [71]), where it is consumed, either as a means of subsistence or of production. In the process of circulation, through which the process of social metabolism develops, the exercise of the social relation is revealed as an immediate movement between the possessors of the commodities.

Before beginning his analysis, Marx summarizes the conditions under which commodities and money enter into exchange, in the case of money as the expression of the antithetical unity between use-value and value, which now appears as the conditions under which the exchange process unfolds. If one simply views the exchange process as a barter between two use-values, one loses sight of why the expression of value needs to take this form of money, and consequently, why the commodity/money antithesis appears. Commodities will appear as use-values, with money expressing exchange-value, and yet both are commodities, and therefore a unity of use-value + exchange-value. But what one sees on one side of the relationship is use-value, and on the other, the general representative of value, the expression of exchange-value. The commodity (Marx will say) is a real use-value, but it can only express its value ideally *in* its price, and in order to express it in *reality,* it must be exchanged for the gold that exists at the other point. And in turn, the use-value of gold, its materiality, only intervenes here as a materialization of value (M), as if it were a pure representation of exchange-value. And here the contrast is made: its use-value only manifests itself ideally in the relative expressions of the value of all commodities that refer to gold as their general equivalent.

To examine the movement of change, we will again look at commodity owners, but this time we will begin by saying: if the cycle of commodity metamorphosis starts with a commodity, which becomes money to then become commodity again [C-M-C], and that's where it ends because it enters consumption, the first thing we will look at here is how this commodity enters circulation. It is a non-use-value for its owner and aspires to become money so that its owner can access other commodities that are use-values for them. The process of exchange occurs in the market, and there it appears that the commodity has a determined price. A process of change of forms takes place, executed through the consciousness and will of the commodity owners as personifications. The transformation C-M appears as a sale, and M-Cas a purchase. But every movement of metamorphosis contains this dual condition. To be able to follow the unfolding of this, what we will look at is the unity of the movement: selling in order to buy. The movement then begins with the sale. Commodity-money is neither sold nor bought. Selling is transforming commodities into money, and buying is transforming money into commodities. A

[70]Marx, K. (1977: 65), *Capital,* Volume 1. Mexico City: FCE.

[71] **JIC:** Some people use this to say that Marx didn't care about use value, when we're dealing with it all the time.

little later it appears that the gold producer never sells: all he does is buy, because it is gold that he puts into circulation, he doesn't need to sell.

What is the result of the movement of selling to buy? The possessor of the commodity that entered the exchange has in their hands a commodity that has the same value as the one with which it entered into a relationship, but the latter has a use-value for themselves. And in this way, they can come into possession of all the means of subsistence and production they will need. If one looks at the material content of this process, it is money, but that is not the form the process itself takes. It is not a simple exchange of one use-value for another because the first step in that process, the sale, does not simply contain its form, but rather the content it contains is the recognition of the labor embodied in commodities as socially necessary, and the commodity that enters comes to prove that it has value: it is "the commodity's death-defying leap." But if the commodity does not successfully make this leap, since it is an inanimate object, the one who suffers the consequences is its possessor, who could not transform it into money to convert it into a use-value for themselves: they were left without a social relationship because they did not perform socially useful labor.

When we look at this movement, what will emerge is a circumstance that Marx mentioned but hasn't explained until now. When we looked at the determination and expression of value, all we had was an isolated commodity. And now that the unity of the process of social metabolism is becoming clear, we are beginning to find that each commodity is not an isolated commodity, but rather constitutes an example within a species, a class of commodities. How is the concrete form in which the value of commodities is realized established, not as an individual body but as an individual within a collective body?

[II]

[…] I want to clarify something I don't think I've already mentioned: in Spanish, we have the advantage of saying "mercancía", so there's no doubt that it relates to the market. English political economy traditionally used the term "commodity." And I believe (this is a hypothesis) that this word… I wanted to see if "commodity " originally meant only "mercancía," because it has a double meaning beyond how it's used now for wheat, meat, oil… It has two meanings: one is "mercancía," and the other is "bien." I think this is strongly linked to the development of classical and neoclassical political economy, where this distinction isn't clear. Neoclassical economists *always translate* "commodities" as "bienes" (“goods”), Ricardian economists maintain the term "commodities," and there are translations where on the same page it's translated as "bienes" and on another as "mercancías." For us, the term "mercancía" is clear, as it is linked to the market.

The process of exchange is what occurs in the circulation of commodities. One must observe that there is a movement unfolding from what began as an extremely simple concrete concept, revealing that beneath its developed concrete forms lies a number of determinations that were not visible in its simplified expression. And in this sense, there is discussion about whether the first three sections refer to the capitalist mode of production or simply to commodity production, because Marx states from the outset that "where the capitalist mode of production prevails." We begin by discovering a simpler form, and as we progress, it takes on a concrete form that is the opposite of that simpler one. We start with the premise that no commodity can express value in isolation. When we reach the end of Chapter I, where money appears, we see that it represents value even when it is outside the exchange relation (even if it is not its own value). Commodities are exchangeable because they are the materialization of equal quantities of labor… And up to this point what we have been looking at is the attribute of exchangeability and the analysis of the commodity up to the point where Marx says: we have to get out of that exchange relation and look at the commodity in itself; but since what we discovered cannot be manifested there, we return to the exchange relation.

We viewed the divorce between the magnitude of the substance of value and its expression, even their qualitative separation, as an abstract possibility. We considered them formally because we had not seen the movement of exchange in circulation, nor the unity as such. Now we are looking at it as such, and not the isolated commodity, and the concrete form in which the value of commodities is realized is revealed to us.

[Ignacio talks about how money manifests itself in ways that Marx could not have foreseen, and asks if there are any tools available today to see that.]

We haven't yet reached forms of money other than gold with a monetary name and a price standard structure. And we have to critique Marx's development: if we don't arrive at an answer regarding virtual money and don't reach this simplest determination, then he has to say that this determination no longer exists at this historical moment, and now we have this other one. If I look at it in general terms,

I'll find that the simplest determination of money is what we're looking at, and that through this or that determination, it takes on forms of money that have been transformed from this simplest one. There are arguments within Marxism that say this is no longer the current determination of money, that its value is determined by dividing the total amount of labor by the amount of banknotes. But this amount of labor cannot be computed because it is done privately and independently. So it is believed that the labor that produces commodities is directly social. I look at that argument and say: this possibility doesn't exist.

Regarding virtual money: there are transactions where the money only has an accounting entry (Marx discusses this in Volume 3), and only the form has changed. In the case of Bitcoin and similar cryptocurrencies, Marx analyzes a form in Volume 3 that corresponds to this: fictitious capital. One can explain this based on these developments, but it leads to more complex forms than we have reached so far. And I believe someone needs to take this further. Caligaris and Starosta advanced the development of more concrete forms of money than those presented by Marx. And they find the same starting point: gold. In this chapter, we will see a reference to a very complex, yet simple, concrete form of money that Marx describes, and he elaborates on it there, but it was no longer the concrete form even in Marx's time.

We arrive at the unity of the process of social metabolism. What we face is that there may be a type of commodity produced through socially necessary abstract labor under normal technical conditions, but since there is no immediate unity between production and consumption, it may have been produced in excess or in deficiency from what is considered normal. And what is considered normal is the level of socially sufficient need that corresponds to the value of the commodities. What happens to these commodities? Marx will first examine those that are surplus. And what we will find in this situation is that they are in such excess that they have lost their use value, and therefore their value. I always give examples that do not correspond to the simple production of commodities, but which show that what one is looking at is not an abstraction so far removed from the concrete forms that unity takes. In the case of Argentina, there was a historical example of this.

During the 1930s crisis, the same thing happened with wine: it accumulated, there was no one with the means to buy it, and a point was reached where the wineries in the city of Mendoza were dumping their wine into the irrigation ditches. And one might say: this is a drunkard's dream, because he goes there and has wine readily available. In Argentina, we saw another manifestation of this situation in 2001, and we continue to see it, for example, a couple of years ago. Milk is produced, there's a surplus of milk, no one to buy it, and the tanks from the pasteurization plants stop on the highway and open the taps. At a time when there are nutritional deficiencies, especially among children, this milk, which was meant to be a commodity, lost its use value, its value, and at the same time as you see the trucks, you see desperate people trying to salvage something to eat.

These are manifestations that already correspond to the full movement of capital, but they serve as an example because they highlight the difference between

human social need and *solvent human social need* (and only solvent human social need counts for the capitalist mode of production). Solvent human social need is determined by its ability to be represented through value, with money as its representative; social need, in the capitalist mode of production, depends on commodities. If the value of commodities is lower, solvent social need can be greater; if it is higher, solvent social need will be smaller. In order to establish a posteriori the unity between given production and solvent social need, it is resolved that solvent social need must grow if there is a surplus because production can no longer be modified; it is a given. And the way in which solvent social need grows is by selling the surplus commodity at a price below its value. If it is sold at a lower price, the solvent social need grows: individuals for whom a certain commodity was not a use value because of the value it had, at the lower price it becomes a use value that they can access through purchase.

Therefore, the late establishment of the social production and consumption unit—because it is an indirect unit in which social need must adjust to existing production—will occur, in the case of a surplus commodity, through the growth of solvent social need. Conversely, if a commodity is in short supply, and solvent social need is higher than that resulting from the independent private production process, the surplus must be reduced. This reduction occurs when the price of that commodity rises above its value, sufficiently so that, given the consumption patterns of each commodity, solvent social need corresponds to the volume produced. The surplus continues to be recognized as having use value, except in examples like wine. Simply put, there is no price at which sufficient solvent social need arises if the commodity has lost its use value: it must be discarded. In this other case, we see that if it retains its use value, it does so on the condition that it is sold for its value, because if it lost its use value, it would not be sold at any price.

If we had a case where… Economists will talk about infinitely inelastic demand, where no matter how much the price changes […]. How is it that one manages to sell and another doesn't? These are the concrete ways in which the exchange takes place. This is the form. What content does this movement contain? We have that value is the quantity of SNALdPaI, and when there is a surplus, more than necessary was spent as a total mass of socially necessary abstract labor. Let's assume that it retains its use value on the condition that it is sold below its value: society is willing to recognize that socially necessary abstract labor as such, and therefore all units of that commodity will be realized. But what will happen to the producers of that M? They will have put in a quantity of socially necessary abstract labor, and since they will sell it below its value, a part of the value they materialized has vanished from their commodities. Which doesn't mean it has disappeared. What will happen to the buyers of that commodity below its value? Let's suppose they sold their own commodity at its value, and now they buy another commodity at a lower price. The socially necessary abstract labor they performed was fully recognized, and now they are going to receive the product of a larger amount of socially necessary abstract labor than they were going to perform. [72]They will have to hand over this objectified monetary value in a smaller quantity than what they are receiving, and what previously vanished went to the benefit of

[72]There is a brief cut in the recording.

the buyers, was absorbed into the general flow. Some put in too much abstract labor relative to the socially necessary amount, and that is why they received less. It's not that they spent more than necessary on each individual unit, but on the total mass, they spent it in excess.

What happens to those who underproduced? They will find that the socially acceptable demand must be met by raising the price. Since these commodities are sold above their value, it appears that a new mass of value has been added, but looking at the unity of the process, we find the following. Let's consider that those who bought these commodities above their value sold their own at their value. They received the product of a quantity of socially necessary abstract labor equal to that which they performed, but in buying, they receive the product of a quantity of socially necessary abstract labor less than that which they expended. This additional value that appears to be appropriated by the sellers of the missing commodities comes from the socially necessary abstract labor that the buyers spent. Some put in one amount and took more, and vice versa, but all the socially necessary abstract labor that materialized privately and independently was recognized as socially necessary abstract labor; it entered the unity, with this caveat.

What is normality in unity? It means that each person contributes a quantity of socially necessary abstract labor and receives the product of another quantity produced by others, equal to their contribution. But since it is an indirect unity, the realization of normality can only occur through the constant deviation of commodity prices from their value. However, in the process of circulation, no more or less value can arise than what entered it; there is no way to multiply value. What does happen is that the appropriation of value is realized through this movement. Marx will summarize it as follows: value substance has been added or value substance has disappeared. But this substance neither arises nor disappears in circulation: it passes from one hand to another—from seller to buyer if there is a surplus, from buyer to seller if there is a shortage. Since it is private labor, the benefits or losses of this movement are enjoyed or suffered. In the case of the milk that was being thrown away, the surplus reached such a point that it couldn't meet a viable social need; there was no way it could be absorbed through consumption, so it was discarded. It had lost its use value and its intrinsic value. This is the central point in our development.

I don't know if it makes much sense because it's a deviation, but there are Marxist arguments that say supply and demand play a role in determining value. And then there's no such thing as normality (which is a constant deviation), because if commodities are always sold at their value, no commodity would ever be sold below value. If there's a surplus or a shortage, it will be sold at its value in that context. This has implications later on because there's one commodity that, under certain circumstances, is systematically sold below its value: labor power when it's in surplus. And if we say that commodities are always sold at their value, then labor power would never be sold below its value, and the working class would never have any reason to complain about being underpaid.

And another related question is: why didn't this appear when we looked at the determination of value in Chapter I? The *total* socially necessary abstract labor applied to each commodity didn't appear. Because what needed to be discovered there was the origin of the commodity's exchangeability attribute. If I start by saying there is no common quality, I can't explain why commodities are exchangeable—they are exchangeable because they are exchanged—and it reverses things. So when one starts, not only is the general unity not present, but one cannot even consider it until one has answered why the social relation has this objectified form and what determines the content of that social relation, its quality and quantity. When one examines the ways in which this quality is expressed, what one finds is that it is not a defect of the price form, but a virtue, because commodities, because there is no immediate unity, cannot be exchanged immediately and systematically for their value. The way in which its value is realized is through the permanent deviation from that normality, a norm that is imposed under the appearance of the absence of any norm.

Gabriel: Does the workforce also fall under this concept of normality?

JIC: What's at stake in that? There are populations experiencing a growing decline in their labor power. Can capital be sustained on that basis? We'll look at that much later. The simple notion is that labor power needs to be sold for its value, otherwise it would be depleted. But what emerges with this Marxist approach is that a population working while starving is selling its labor power for its value. If a discourse arises that operates in the political sphere, speaking of supply and demand as determining the value of labor power, then I can never make a claim. This is the brutal aspect of that approach, because it's flawed, but politically (and we're starting with the question of how we govern our political action), its consequence is that the working class has no reason to ever make a claim. And this is presented in the name of Marx.

This isn't an abstract theoretical discussion: it's what this type of investment leads to (form being treated as content). Content is value, and it's exchanged for something other than value, for the form in which value is realized. With this additional element: neoclassical economics makes a mountain out of a molehill regarding supply and demand relationships because, for them, supply and demand determine price. If one were an economist who wanted to be consistent, one would say that this isn't the case: it's the principle of diminishing marginal utility and increasing total utility that manifests itself in relation to the budget constraint in supply and demand, and that's why supply and demand are equal; that's what determines price.

However unbalanced supply and demand may be, what is expressed in the indirect unit is what we saw: some appropriated more and others less in exact proportion; there is no more or less value: everything came in. What I have to explain is what determined that everything came in, and it is not supply and demand but the SNALdPaI (Tax on the Price). Marx will later critique the idea that price is established by the relationship between supply and demand, and he will observe that when these are equal, they cease to act and therefore cannot

determine anything. That is the point of normality: the explanation of value has nothing to do with supply and demand because they do not intervene.

[Gabriel mentions, regarding the sale of labor below its value, populations such as Bangladesh and its textile industry.]

We don't have to look far: throughout Latin America, and in Argentina specifically, the entire population—if they can sell their labor—is selling it below market value. University professors are among that population.

Ignacio: Is marginal utility indeterminable? Is the moment when the supply and demand curves of a good intersect, and the price can then be determined, applicable?

JIC: It's a purely ideological construct, and like all constructs, it rests on some concrete determination of reality. We discussed this the other day. It's true that we *value* commodities based on their use values: this is a use value for me, this isn't. The specific reasons why we value them as use values will come later. But we do the same with things that aren't commodities, which makes it clear that this determination as a use value doesn't determine the price of commodities. What does neoclassical economics do? It takes that appearance, turns it on its head, and has to transform it into a construct that can be expressed quantitatively. If I say: for me, gnocchi have a use value, but I don't feel like eating them every day; I prefer mostaccioli, I like them better. I'm valuing them, but that has nothing to do with the value of these commodities. Since social need is solvable, it arises not from how I value things, but from the value that commodities have and whether there is a surplus or a shortage. If the mostaccioli are more expensive, and I say I'd rather not spend that much and eat *gnocchi* instead, that's a concrete determination of my valuation of that object as a use-value because my general social relationship takes the form of value. But it has nothing to do with determining the value of the mostaccioli or the gnocchi.

Since neoclassical economists need to arrive at a quantitative expression, they have to construct a scenario in which they state: there is a hypothetical human being who is rationally governed by the principle of increasing total utility and decreasing marginal utility. And this hypothetical being is given a plate of [unclear - possibly "Ñ" in Spanish] and finds it useful. They are given 500 plates and it remains useful. Their total utility continues to increase, while their marginal utility decreases: the last plate is *less* useful. And there is no way to determine how much less useful it is. It is determined that I choose within the capitalist mode of production, linked to use value and its price, which has deviated from its value, but that does not determine either price or value. Price is determined by the amount of SNALdPaI (Tasks of Production) that society applies to producing one type of commodity or another within the total mass of that labor.

And marginal utility is a fantasy, if you'll pardon the expression. It's a construct that goes so far as to say: value isn't an interpersonal relationship, but *an intrapersonal one,* a relationship each person has with things. Therefore, any attempt to directly influence how society appropriates its products undermines

societal well-being, because the Pareto principle (a theoretical concept developed by a socialist named Pareto) states that no one can improve their overall well-being without diminishing the overall well-being of another individual. If one individual acquires more at the expense of another, the overall well-being of one improves while the other worsens, and according to the Pareto principle, social well-being deteriorates. This means that if there is a society, let's say, made up of two individuals, it doesn't matter where they got their product. If one has 99.99% of the product of social labor, and the other 0.01%, any action that increases the amount of the one with 0.01% to 0.02%, and the other to 99.98%, reduces social welfare. This is the essence of neoclassical economics. Neoclassical economics uses the Edgeworth box [73]as a graphical representation of Pareto optimum.

One last point that Marx doesn't elaborate on at this stage—there's only an indirect reference, and I won't elaborate on it either—but I ask: what is it that can't be included here? It's how the mechanism by which normality is imposed is set in motion. Marx will say: value will impose itself as an average through this constant deviation. But why does it impose itself, and why doesn't the concrete form develop? It will impose itself because when there's a surplus of a commodity, production will contract because it's sold below its value, and conversely, when there's a shortage, production will increase. This implies shifts in the scale of production. One side receives less than what would allow it to maintain its existing, excessive scale, while another expands its scale. But he will develop the general form of this movement in Volume 3, and it's competition, which he won't outline until the chapter on relative surplus value. Why can't it be developed at this point?

This contrasts with Adam Smith's approach, which focuses on simple commodity producers and immediately states: production of this increases if there is a shortage, and vice versa; there will be more people wanting to produce what was lacking, and so on. If we consider commodity producers working entirely independently, performing private and independent labor, someone producing $\tilde{N}$ cannot start producing Z because there is a surplus of $\tilde{N}$ and a shortage *of Z.* Attempting to explain the mechanism of how normality is achieved here would be to force an abstract movement. It is stated: one increases, the other decreases. But it is impossible to explain how this movement is actually governed in practice.

And to clarify [repeating from previous sessions]: what one will find in societies where figures resembling simple commodity producers appear is that the unity between production and consumption, even with commodity exchange, is governed directly in various ways. Marx will later refer to the free artisan and peasant of feudal society as exponents of the producer who works privately and independently, the private owner of their means of production. When one examines these individuals in their concrete development, the unity is governed by the guild, ties that are personal and direct. Indirect unity under these conditions is very difficult to achieve because the necessary movement is hindered; each individual possesses the means of production that serve to produce what they were already producing, and they cannot move from one branch of production to another.

[73] https://es.wikipedia.org/wiki/Caja_de_Edgeworth

[III]

When I look at this question of unity and the indirect way in which it is established, I emphasize the nature of the relationship between commodity owners, whom we have already seen as personifications of their commodities. Marx doesn't elaborate on this point, and I'm not sure if it makes sense for a workshop like this to dwell on it now. If a situation arises where it becomes necessary to clarify the specific form of the relationship between commodity owners [Spoiler: we will].

So far, we have established that this indirect unit has been created. What enters this unit is only that which is recognized as a product of socially useful labor, provided there has been a change of form (C-M[1st metamorphosis]). If there hasn't been, it's because what tried to enter circulation has no value; it lacks the attribute of exchangeability because it isn't the product of a socially useful labor (SNALdPaI), and it will have disappeared from the movement. One must be careful here, because when one looks at the realized unit, it has the appearance of a direct unit, since what remains is what has been recognized as having value. However, one doesn't see that there are things that were intended to be commodities produced privately and independently, and that are socially useless, have no social use value, and don't enter into this exchange relationship. Therefore, they don't appear anywhere when one looks at the unit; they are left out.

This leads to the misconception that value can be determined by unity, when in fact it's the other way around: unity is established through value. It's a way of organizing social production that produces things intended to be social use values, but which ultimately fail to achieve that status. This is what Marx will continue to explore when he argues that, through this movement of commodities, what emerges is the unity of the process of social metabolism, in which labor is performed privately and independently. Consequently, the various owners of commodities who enter into social relations within this process confront their own social relations as something separate from themselves, and their persons are subject to dependence on things. Now we see how what we understood in production takes shape in circulation.

Marx asks: what we want to examine is what this unity tells us. We already know that commodities are not necessarily exchanged in proportions corresponding to their value; they can be sold above or below their value, but they enter into exchange with the attribute of exchangeability, inherent in the production process. And what we are going to examine is what the unfolding of this process of metamorphosis, of change of form, reveals to us. Marx analyzes the movement by observing: one party sold the commodity, and the other exchanged gold. What movement results from this? The commodity was exchanged for money (the general form of value), and the money, gold, was exchanged for a special form of what is the use-value of money, which serves to buy any commodity, whatever its use-value. The commodity ceased to have its original form upon changing hands and now has the form of gold. And if before one had seen the price of commodities as an ideal measure of value, now we see that the commodity's physical form was effectively transformed into gold. What emerges is a dual process in which this

unity is realized. It is a sale from the point of view of the owner of the commodity, it is a purchase from the point of view of the buyer, and it will appear that every sale is at the same time a purchase.

For commodities to take this first step in their metamorphosis, they must encounter gold as a form of money. The question is: how does gold enter this process? From its source of production. The gold holder never sells because what they bring into circulation is recognized as the general representative of value. They exchange it as if it were the immediate product of their labor for products of other forms of labor that embody the same amount of value. Gold is never sold; what is done with it is to buy. When one observes the gold that entered through the point of production, from this act of buying, what this gold always expresses are *already realized prices* of commodities, because it is always confirming that another commodity with a specific use value is recognized as a bearer of social labor.

One observes gold in its course and sees that it always passes from one hand to another as the realization of this first metamorphosis of the commodity (the sale). When any commodity is converted into gold—when it is sold—the entire attribute of use-value of that commodity is erased, and one looks at money and cannot know what forms the commodities that were sold for that money had. Thus, in the form of money, all commodities are qualitatively equal. Since every sale is a purchase, the first metamorphosis of any commodity into money is, at the same time, always the second metamorphosis of another commodity that was previously converted into money. It then enters into this second metamorphosis. This is the other side of the first metamorphosis; everything we saw in the first appears now from the other side. Now this is money. Money is the absolutely alienable commodity, immediately exchangeable for any other. Money "reads backward" the price of all commodities and expresses them all. Commodities must prove they embody socially useful labor; money doesn't have to prove anything, it's immediately exchangeable. Money is always expressing that it's the embodiment of a commodity that has already been sold, and at the same time, it expresses the possibility of buying any other commodity. And now the reverse appears: buying is selling. Each cycle of metamorphosis of a commodity, with the transformation M-C, is the opening of the cycle of another commodity with the transformation C-M.

There will be a difference that arises from the materiality of the exchange process and does not imply a difference in content with respect to that process. This difference lies in the fact that, since commodity producers are specialized in the production of a certain commodity, they sell quantities of that single commodity. Its metamorphosis involves a multitude of sales processes, and at the same time, since one sells in order to buy, the sale is a purchase of different use values. The final metamorphosis of a commodity encompasses a set of initial metamorphoses of others. I come with money to buy and I buy a variety of commodities, which initiates the metamorphosis process of that variety. The initial metamorphosis is of a limited variety of commodities by the commodity owner, who sells to a variety of buyers, and one buys from a variety of sellers.

[Ignacio asks about the “added value” that political economy talks about.]

This term arises from an investment; it appears as if something is added to something inert. The image is this: there is a pre-existing mass of inert value (the means of production) to which new value, generated by living labor, is added. And in the process of organizing social production and consumption, the issue is reversed: living labor is organized, for which it must be provided with means of production. The term "value added" is inverted in this sense. When we get to the cycle of capital, we will see why it appears this way, and how the labor invested in the means of production reappears in the value of the product. But in production, what was generated is new value—how living labor was allocated to the various concrete, useful forms. If I look at it in terms of its content, "value added" is what we have been considering up to this point as the generation of value. The value of the means of production reappears in the value of the product because it's necessary to recognize whether the person who purchased the means of production to perform the work acknowledged that those commodities contained value. Now, transformed into the product, this value needs to be recognized again as socially useful, because it may be, in its current form, socially useless. The problem lies with the person who recognized it as socially useful because they paid money in exchange, and now finds that not only did their labor fail to create value, but even the value of the means of production has not been preserved.

In circulation, there is no value addition; what occurs is realization. However, this realization may not be complete or may be excessive, but it then enters into social consumption. When it is excessive, someone puts in more labor than is embodied in the commodity, and conversely, someone is obtaining more product for less labor. In circulation, there is never a generation of value. Any movement within circulation that causes a commodity to be sold above or below its value means that value either went elsewhere or came from elsewhere, but there is no new generation. The term "value added" is very useful in tax legislation, where, strictly speaking, the value-added tax, beyond the appearances that make it seem as if value arises from commerce, implicitly recognizes that value arises in production, thus viewing commerce as if it were part of production.

I objected to the use of the term because it's tax-based. I don't believe there's any economic theory, as a foundation for anything, that uses the term to describe what is generated. VAT [74]is levied on the value generated in an activity, with the caveat that it also appears in commercial transactions where there is no generation, but rather an appropriation of value. We're looking at the same thing in this discussion. To what extent is the term "value added" not viewed as something different from what we're discussing? To calculate value added, you create an input-output matrix, showing how many means of production are needed for each production process. You subtract the means of production from the value of the product. Properly done, you have to subtract the value of the means of production consumed during their useful life (machinery, etc.), and what remains is the product. That's what's called the "value product," and it's on this product that the value-added tax is levied. It's being recognized as the new value product.

[74]Value Added Tax.

At the end of Volume 3, Marx argues with Smith because Smith confuses product of value with the value of the product. The value of the product is the total of socially necessary abstract labor expended directly *and indirectly* to produce a commodity: what was expended in its immediate production plus what was expended in the production of its means of production. The product of value is the new value created, the "value added." It's almost a matter of terminology. Tax experts can only see it as: means of production were purchased for a *certain price, and the* product was sold for *a certain price,* and the difference is the value added. And whether that value came from labor or some other source is irrelevant to them.

Marx makes an observation about the personification of this antithetical movement in commodity owners. One takes the form of buyer, the other of seller. Both movements involve commodities and money. The same individual moves from the role of seller to that of buyer. The circulation of commodities takes shape in the transformation of the person who embodies them, who always begins as a seller (except for the gold producer) and ends as a buyer. The other antagonistic characteristic of this movement is that in the first metamorphosis, the commodity is a non-use-value for its owner, the seller, and conversely: when the movement ends in the second step of the metamorphosis cycle, the commodity is a use-value for its owner. Every metamorphosis of one commodity contains the opposing metamorphosis of two other commodities. The unity of this entire movement of metamorphosis is the circulation of commodities. For someone to sell their commodity and undergo the first metamorphosis, their buyer must have sold a different commodity to obtain the money to pay them. Then the seller becomes a buyer and will participate in the metamorphosis of what they are buying. This highlights the unity of the social metabolism process. What will happen with all of this? There is a substantial difference between the circulation of commodities and the direct exchange of products (MM).

What we have here is **10 *Ñ*→ D → 1 *Z, without there ever being a*** direct conversion of the *Ñ into Z.* Money is always the mediator. This reveals the power of the commodity circulation process. It can overcome any limitations related to personal ties because, as an objectified social bond, it is independent of individuals. Since the two poles of the metamorphosis are independent of each other, it can extend spatially (the commodities of the two poles of the process can be anywhere), and it becomes clear that the unity of this process of social metabolism escapes the possibility of direct control by the individuals involved. What emerges from this potential for independence between the opening and closing movements is the possibility that, even though every purchase is a sale and vice versa, the unity is never fully completed.

Commodities enter this circulation, are transformed into money, one takes the place of the other, enter the sphere of consumption, and money always ends up in the hands of the last seller who hasn't yet bought. It will then appear that, although every buyer subsequently acts as a seller, etc., there is an interruption in between where the commodity has been transformed into money and is still waiting to be transformed again into a commodity with a different use-value. It can happen that in this interruption, one may have sold but not bought. Here, there is a sale that

contains a purchase but is not followed by the second metamorphosis, by a new purchase. Marx criticizes Say's Law, which states that since every purchase is a sale, every seller brings the commodity to their own buyer, and therefore there can never be a situation in which there are commodities that contain value and cannot be sold, that have no buyer. Marx argues that this is separated into the two poles; it is not barter (immediate unity). There can be a temporary interruption in the circulation of commodities, where a sold commodity remains in the form of money. Because the unit is established indirectly, a commodity was lacking and could not be purchased: one has to wait for it to enter circulation, for the movement to be corrected, and then the individual withholds the money while waiting to buy.

It can happen that an individual sells their commodities at a certain unit value, and has to sell a certain quantity of them in order to buy another (they don't yet have enough money). And then, as here one phase and another phase of the metamorphosis cycle appears, which contains an internal unity (selling to buy), but outwardly presents itself as a sale on one hand and a purchase on the other, Marx will say: what is internally a unity, but in its form of realization are independent moments, this movement can be separated, and the internal unity of these forms, so that they correspond to their content (which is one), can only be violently established through a crisis.

And Marx will then synthesize the entire development, saying: all of this stems from the fact that the commodity is the internal unity of opposing, antagonistic moments. It is use-value and value, private labor that must function as directly social labor (money represents social labor), it is concrete labor that is compared on the basis of its condition as abstract labor; there is a personification of things and a reification of people. Where do all these contradictions within commodities manifest themselves? In the movement of their circulation, in the metamorphosis of commodities. Their movement contains the *possibility* of a crisis, but for it to develop and materialize, a whole series of determinations come into play that have not appeared up to this point and that are not simply present in the process of circulation of *ordinary commodities.* In contrast to the logical representation, the definition is the closing of the development, not the starting point. So he will define money as the medium of circulation of commodities. This comes after the unfolding of all the determinations of that function as a medium of circulation. It is not: “Since money functions as a medium of circulation, then…”. It's the other way around: as the process of metamorphosis takes this form, we now recognize money in its function as a medium of circulation.

Javiera: I'm not entirely clear on the role of the crisis, whether its function is to give unity to the process; it appeared suddenly and I didn't understand it.

JIC: Here we have an internal unity, the process of social metabolism. When you look at the metamorphosis of the commodity, you see that it is sold in order to be bought. But when you see that these two poles don't have an immediate link, but are instead mediated by the transformation M- C and C -M, it can happen that someone sells but doesn't buy. Then the movement of unity is interrupted. Why can it be interrupted? If the social link were direct and personal, the unity would be established immediately. Society has this, it is allocated in such a way, and what

was produced is consumed, etc. Here, that link doesn't exist. How does this indirect unity manifest itself? Here, use-value is simultaneously a bearer of value. When we look at value, it is the recognition of labor performed in different concrete forms as socially useful, but not through its immediate concrete forms, but rather through the determination of that labor as a simple expenditure of labor power, as abstract labor. There is a recognition of the social character of labor, but it is carried as an attribute of the product of private labor that acts as an expression of the social character of labor. This is a social relationship between people, but it appears as a social relationship between things, and people appear subject to… how do they recognize themselves as individual organs of the social metabolism process? Through things: the subject is inverted with respect to the object.

All of this stems from the private nature of social labor. This implies that there is no immediate unity, but that unity must be realized. The essence of all this is that the process of social metabolism reproduces itself; unity is present and *imposes itself.* It's not that the process of social metabolism goes in any direction. But because it does so in a way that encompasses all these contradictions, what is a unity internally manifests externally as independent movements (private labor, commodities that don't complete their metamorphosis because they remain in the form of money). And so, this unity, which is the reproduction of the process of social metabolism, is reproduced through movements that increasingly distance themselves from that immediate reproduction. More and more money remains in the form of money and doesn't close with the purchase of the other commodity, but this is a unity—that of human life—that reproduces itself.

When this unity begins to break down, it is violently restored in a way that is not the normal flow of unity, but which is inherent to the fact that this unity presents itself as independent things. And this is a crisis: instead of flowing in normal ways, it now takes an extraordinary form where unity is restored. But this is like saying… This is an attribute of this process because of the form it takes, but it is inherent in any process that has an inner unity and that is carried out by independent movements; it is not only the process of social metabolism when it is carried out privately and independently. I can't think of any form right now, but… I'm going to try to take an example from nature (I don't know if I'm going to say something foolish).

The organic processes of a plant depend on conditions that the organism itself cannot control: temperature, rain, and so on. Normally, this living organism exists in an environment where these conditions are balanced and provide what it needs for its survival. However, these conditions are not directly regulated, and every so often the restoration of normal temperature or humidity takes the form of a drought or a raging storm. The unity of this organism's life process has been restored: there was drought, and now it has rained. This is characteristic of any process that has an internal unity but is not immediate. Up to this point, there is nothing that causes it to systematically deviate in one direction: it is a possibility, but the determining factors for its occurrence are not present here. Something that is indirectly regulated but has an internal unity always contains the possibility of a crisis.

Javiera: What I find confusing is the mention of internal and external: if there is nothing external to capital…

JIC: Here we have a content (the process of social metabolism) that takes a form (the capitalist mode of production), which in turn becomes a content with its own concrete forms. I don't know if the example of thought and word is helpful: thought is the content; it has a unity. When it's expressed in words, there's a fairly direct regulation of those words, but let's suppose I were to choke while saying something. Then the flow of that form that expresses the content would be disrupted. How should it be resolved? Until I stop choking, I can't continue speaking. Now, my words have no more content than my thought. It's not that there's an outside. But the content itself gives it a form, and that form contains contradictions that arise from the content and manifest themselves. We're talking about the way in which a certain content is realized, a content that isn't immediately expressed as such, but rather as independent movements that, in themselves, don't have immediate unity. The content itself has unity; its forms do not. Then, there is the possibility that these forms begin to be antagonistic to each other to such a degree that the content needs to manifest itself by violently restoring the unity of these forms: a crisis.

I hesitate to give examples of things that come much later, but perhaps this will serve *as* an illustration. Here we are looking at the reproduction of the social metabolism process governed by the capitalist mode of production. Due to factors that I won't elaborate on here, but will describe, the production of the means of subsistence for the workers... Each individual capital needs to expand that production as if the social need for that production were limitless. The capitalist mode of production itself causes variable capital (which will manifest as the working class's purchasing power for its means of subsistence) to grow with a specific limitation. So, with production being a part of the unit that needs to grow as if it had no limit, and a solvent social need that grows with a specific limit, they will gradually separate. To a certain degree, this separation can appear to be compensated through credit sales: since someone could buy on credit, the separation wasn't noticeable, and they continue to separate… And a moment arrives when the movement of the unity of capital can no longer be separated, and a general crisis of overproduction appears. Production cannot continue to expand as if it had no limits; the second metamorphosis cannot be completed. But since it is an indirect unity, it cannot manifest itself immediately, but gradually, until it reaches its limit and has to be re-established through a crisis. This is what one faces in the simplest determination; that is why Marx says that this is the *possibility* of crisis, *not the necessity* (up to this point).

There is nothing outside of that movement, but the forms it takes are like becoming independent of something that, by its very nature, can have a degree of independence but cannot be indefinite; it has a limit, which also cannot be imposed like, "let's slowly return to unity," because individual capital has to keep expanding as if there were no limit. The general movement cannot say, "let's restrict production" or "now let's increase workers' consumption so they can do this," because that consumption is governed by the very movement of capital.

[To another question from Ignacio about countries in crisis while others are on the rise, he replies that he will not talk about *capitalist crises* until Volume 3].

Aristides: So it's a crisis of circulation. But you gave an example of a crisis of overproduction, or that it was the same thing… or how is it?

JIC: No, what we have here is an indirect unity, one of whose normal forms is crisis, because internally these forms, with an independent and contradictory outward movement, constitute a unity. This is the extent of the *possibility* of a crisis.

Aristides: But crises can be of many kinds.

JIC: Nothing. This is how unity manifests itself indirectly. Indirect unity can flow, but because it is indirect, it may not flow. The crisis is not the negation of indirect unity, but its affirmation, but now violently; it doesn't flow as it has until now. It is not a crisis of circulation or production, but of this way in which unity is established.

Aristides: But it can have political forms of manifestation that…

JIC: But I can't say what form something will take when it exists only as a possibility. For that possibility to materialize, a series of conditions must be met, and so far, they haven't been. What's the point of this? It's that as we move forward and see the concrete forms this will take, we'll wonder: does the crisis arise from this concrete situation I have here? No, the possibility is already present at the starting point. When I have to ask about a specific crisis, I shouldn't begin the explanation by saying: because this happened politically here, the crisis has occurred. Rather: the possibility is here; what conditions must be met for a crisis to erupt? The crisis arises from the normal course of events; it can't come from outside (because it doesn't). So, I'll return to the immediate concrete form and say: that's why it takes the form of a political crisis.

If I'm unaware that this possibility exists at the starting point of the general social process, then I have the problem that, for example, neoclassical political economy doesn't consider the possibility of a crisis: it has to come from an imperfection external to the mechanism; there can never be a crisis within the mechanism itself. Say's Law states: every seller brings their buyer to the market. And when a crisis occurs, it says: this happens because someone made a mistake and acted irrationally, or because there was an external disturbance—someone came along and threw things off balance—or tried to interfere with this automatic equilibrium that maintains the maximum level of social welfare and ruined it. And when one examines this, one says: this automatic equilibrium, in its simplest form, contains an indirect unity and can therefore only be achieved indirectly.

It's clear that if I have to act politically in the face of a political crisis, the mere explanation that the commodity is such and such, without explaining anything about the political crisis itself, is insufficient—the very thing we tried to address in our first meeting. But the problem is that if one stops questioning the necessity of

concrete forms of political action and stops at mere appearances, then one's knowledge, and therefore the organization of one's action, is based on that appearance. If one has reached the simplest determination and then says, "I know what I have to do politically," what one has done is construct an abstraction, and instead of continuing to advance toward the concrete, in this case, one remains at an abstraction. All of this that we are examining has concrete forms that are the opposite of what we are observing because they contain these contradictions, but we will only be able to answer the question of the necessity of concrete forms if we continue to accompany the development, the unfolding of the simplest forms toward the most concrete.

b) *The course of money*

Having reached this point where Marx has synthesized money in its function as a medium of circulation, he will examine what happens to the movement of money: the flow of money. Marx returns to what he had been developing regarding how this process of metamorphosis appears indirectly (not directly, as in *Modern History*), starting from the existence of value, of a commodity, and unfolding back into the commodity form. He will argue that the movement of the C-form is cyclical, but the fact that it is cyclical implies that the movement of money cannot be cyclical: it moves further and further from the point at which it entered; money is a diversity of realized commodities. It can never return to its starting point; it is constantly flowing. Here, the question of who the active and passive subjects are arises again: it is the commodities that make money move as they change hands. Therefore, the flow of money reflects the movement of commodities.

The concept of what determines who will appear inverted: the flow of money drives the movement of commodities. Marx will then explain how this inversion unfolds, stating that money is always on the side of the buyer. It acts as a means of purchase, realizing the price of commodities. As it does, the commodity passes from the seller's hands to the buyer's; simultaneously, money makes the opposite movement, but once it has done so, it repeats the movement it made before: while the commodity leaves circulation, money constantly remains in circulation and repeats its buying motion. Since money appears to recognize the commodity character of use values (let's put it that way), it seems to spring from this recognition that money makes of them. Because money is always in circulation, it appears that all movement is on the side of money. And we will have this first determination in which the metamorphosis of commodities appears as those that are incapable of moving on their own, and money as that which makes them pass from one hand to another. Marx concludes by saying: money reflects the circulation of commodities, but when you look at it, it seems that money is what makes commodities circulate, as a means of circulation.

Here, this paper begins to take on a concrete form because it is materially, the same physical piece of money, that passes from one hand to the other: it's not simply that one is looking at money as such. Now, the concrete form that the flow of money takes is that the same piece of money is what changes hands, moving in opposite directions. In the movement of money, the intertwining of all the metamorphoses of the "world of commodities" will then be reflected. This commodity entered circulation, went to the sphere of consumption, and behind it comes another copy of this same commodity because the production process restarts. They are all renewed and enter and leave circulation. Money as a medium of circulation lives within circulation. Faced with this situation, the question of a quantitative determination arises. If money is always in circulation, how much money fits into circulation? It is a problem of measurement. A series of variables will be put into relation. The dependent variable is how much money fits into circulation, and we will look at what the independent variables are, what determines this quantity.

The first thing to define is the space where circulation occurs. Marx refers to a country, making this formal delimitation, but there's no need to explain why this delimitation has been established up to this point. Here we have a national sphere, a currency that has a monetary name. This monetary name is directly governed, it has universal validity within the corresponding sphere (which here is defined as a country). And we have a second delimitation: we have a certain period in which we will ask about the quantity of money: it's not the same if we consider the daily amount as the amount of money that fits in a month. Marx will state: every day there is a simultaneous multiplicity of the metamorphosis of commodities into money (simple sales), and on the other hand, simple purchases. One has to make a temporal delimitation, and in this period of time this mass of buying and selling occurs.

What is the first independent variable that will appear here? Once the time frame and the sphere of circulation are defined, a certain mass of value must be realized, transformed from a specific commodity form into money. The first determining factor here is how much value must be converted into money through sales and how much value in commodities through purchases. Marx will point out that we are looking at the unity of this movement, and therefore the two sums are equal. The concise answer is: the mass of value that must be circulated. In what is the value of commodities expressed? Never in quantities of labor, but in gold. But gold can measure the value of commodities because it itself has value, and since it has value, it depends on the productivity of the labor that produces it. What happens to the value of gold? The price of all commodities will rise if the value of gold, expressed in a quantity, decreases, and conversely, if the value of gold rises, the price of all commodities will fall. The amount of gold needed depends on the value of each unit of gold (I add: *monetary unit)*.

Marx clarifies that this is not a problem of money as a medium of circulation, but as a *measure of value.* The mass of value to be circulated is already given, but its *expression* in gold depends on the value of each unit of gold. To ask what quantity of gold is worth, the first analytical step is to assume that the value of one unit of gold, which is given, does not change. Marx then focuses on questions such as whether the value of gold changes, whether silver is used instead of gold, how the change in value of a pound of gold (in monetary terms) becomes apparent, how new gold already has its value modified by labor productivity, and how old gold, as it circulates, adjusts to this new value… All of these are expressions of this movement.

He's going to make an observation about gold and silver mines, particularly those in America (Potosí). He says that all of this must be taken into account, but let's assume that gold has a given value. So, one pound of gold, as a unit of expression for the value of commodities, having a given value, means that the value of all commodities is related to this pound in varying proportions, depending on the value embodied in the different commodities and the value embodied in the pound itself. Therefore, the mass of value that must be circulated depends on the sum of the prices of the commodities that will be realized, that will be sold and bought. Let's assume that the productivity of the labor that produces each commodity is also given, and that there is a mass of these commodities whose

price depends on the mass of commodities already in circulation. If one does this to simplify things... there may also be a surplus or a deficit relative to the norm. But let's assume that these commodity prices are an immediate expression of their value. Now he's going to suggest that we look at the other side: the movement of money, and what aspect of that movement we should examine.

We saw that there is a succession of metamorphoses of money, in which it transforms from M to D and D to M, which in turn implies that there is another transformation of C-M, now taking the form of another commodity, and so on. Gold coins (money in its form as monetary units) are involved in this movement. The question is: how many times does the same unit of gold pass from one hand to another? How long does it take for each piece to be used again? And the inverse of that time is the velocity of money. To put it simply: if all sales were successive—none were simultaneous with another: first one, then another…—and each always with the same value, it is enough to have a quantity of money corresponding to the first sale, because afterward, it is that same piece of money that one person used to buy from the next, who sold to them, who then used the same piece to buy from yet another… And with a single piece of money, the entire circulation of commodities took place.

The opposite scenario would be if all sales were simultaneous, and since all buyers sell at the same time, they don't have the money to buy because they haven't sold yet. Therefore, there needs to be a quantity of money in circulation equivalent to the total value to be realized, because each person has to bring the money they're going to use to buy. Since they don't have a prior sale, but are going to sell at the same moment they're buying, they need to have the money in their pocket to be able to buy. In one case, a single currency unit serves for the entire transaction; in the other, all the units operate only once. A quantity of currency unit corresponding to the total value of the commodities will be needed. So, how many units are needed? It depends on how many times each unit is used in the period we're taking as the unit of measurement. Marx then states: the quantity of money that can be put into circulation is determined by the sum of the prices of the commodities and the number of times *each currency unit* is used in circulation, its number of rotations in the period under consideration.

Javiera: I still have doubts about establishing the number of rotations, whether it's taken as one day or…

JIC: Central banks calculate the velocity of money, which is based on the same criteria we're looking at here. It's not arbitrary; it depends on the specific conditions of circulation. If, for some reason, transactions can be linked together, the velocity of money is higher because each unit will be used more times. If they can't be linked and have to be combined, the velocity of money will be lower; the same coins will be used less often. The money supply is inversely proportional to the velocity of circulation: the higher the velocity, the fewer units of money are needed to move the same amount of value. It depends on the specific transactions. Keep in mind that credit hasn't yet appeared here, meaning that there isn't a sale that's finalized with a transfer of money from one person to another.

[II]

[...] The quantity of gold-denominated monetary units that enter circulation depends on the mass of value contained in each of these units. The measure of value affects the medium of circulation. Thus, we have the mass of value of the commodities that will change hands, and in relation to this total mass of value, the unit value of gold implies that more or fewer units of gold are needed. Marx says: gold enters circulation as a product of the labor that produces it, and if the productivity of that labor changes, the difference in value that this implies because of the change in labor productivity is *gradually transmitted* to the old gold that is in the process of circulation. But for what we want to examine, it doesn't matter how this is recognized—whether it becomes evident that gold expresses more or less value—but rather that gold has its own determining value. When the value of gold changes, it has the effect that is reflected—whether more or fewer units of gold are needed depending on whether the value of each unit has risen or fallen—which affects the value of the units that are already in circulation.

I'd like to make an observation, although this will be developed much later. We said that it is the socially necessary abstract labor required to produce a commodity that determines its value. What does this "producing" mean? It's not simply that the commodity was produced some time ago and is in circulation, and that's what determines its value. Later, when Marx begins to examine how changes in labor productivity are governed as an attribute of capital, he poses the question by saying: it's not the labor expended in producing it, but the labor expended in *reproducing it:* current labor. If there's a machine from five years ago, and today the productivity of the labor that produces it has increased, the machine's value is the amount of labor it requires today. But it's not reproduction in the abstract, but rather the labor that is capable of putting the commodity into circulation *today.* If I have to wait 6 months for the commodity that is the product of greater productivity to reach circulation, and it is now the one that governs the value of those commodities, and the old ones that were already produced will have decreased in value, until that other one can enter, the value of those commodities will not be affected.

Later we will see in detail that the only thing that can affect the prospect of a commodity having more or less V [75], what will happen until that commodity is ready to enter circulation and be consumed, is not a change in value but a deviation in *price,* provided that consumption can be brought forward or delayed and, consequently, demand grows or shrinks, and this process of the commodity being sold above or below its value takes place. It's not that its value has changed, because replacing it will cost more or less, but until it reaches circulation, the value of the commodity is determined by what can actually supply consumption [...].

If up until now it was: 1 *a* = 2 *ounces of gold, and now the productivity of* labor has generally doubled for gold, but this increase is occurring gradually relative to the old gold, what will happen is that at some point a change will appear from 1 *a*

[75] **JIC:** And this is typical of agricultural production, because it is not known what the productivity of labor will be as it is subject to natural conditions, but it is possible to predict whether the productivity of labor has risen or fallen and will contain more or less value.

= 3 *gold,* until it settles at 1 *a* = 4 *gold.* This is simply the development of the movement. It's a development that is separate from the explanation being developed, because Marx will then eliminate this movement and say: at a given moment, the gold in circulation has a value, and we will consider that value to be fixed. So it's an observation about a form, not about the content he's trying to develop. That's all; it has no further substance. But since the concept of value being determined by the incoming productivity appears here, and consequently it doesn't appear as the amount of labor applied to the production of the mass of gold in circulation, but rather as the cost of reproducing that gold, I made the clarification. Later we will examine the issue of the work involved in reproducing that commodity, but which implies that it must be produced under current conditions. The term "reproduction" means to reproduce them again under current conditions.

[…] Marx said that we should take gold and assume that the productivity of the labor that produces gold and other commodities doesn't fluctuate, because that would also change its price even if nothing had happened to the productivity of the labor that produces gold. As in any measurement process, one needs to define the conditions under which the measurement is made. What Marx is going to look at is the problem of the value of gold. What we had was this determination that the quantity of gold units with monetary names that will enter circulation depends not only on the total value that needs to be circulated, but also on the unit value, the value of each unit of gold. If the total mass of value is given, the quantity of gold units will depend on how much value is relatively contained in each unit of gold. I had skipped over this, but Marx here makes a reference to something that would be premature to answer:

> A one-sided assessment of the events that followed the discoveries of the new gold and silver mines led in the 17th century, and especially in the 18th, to the misleading conclusion that commodity prices had risen because more gold and silver had been put into circulation on the market.[76]

It's not a problem of quantity, but of what happens to the unit value of gold. We have the mass of prices that needs to be realized. It's implicit that if it's expressed in quantities of gold, that depends on the value of the commodities and each unit of gold, and the other element that will come into play in this movement will be what happens to each piece of gold in circulation. The problem is: if the changes of hands of the commodities are successive (occurring one after the other), someone sold, received a piece of gold from their buyer, and now goes to buy. And they give the seller of what they are going to buy the same piece of gold they received. But that second seller, with the same piece of gold, goes and buys: a second movement of that mass of value that needs to be moved takes place. And if the one who received that piece of gold uses it to buy, the same piece was used a third time (all this within the time period taken as the unit). If that piece of gold was used three times, then the mass of gold pieces that corresponded to the mass of the value of the commodities based on the value of each piece of gold is not needed; if all the pieces that enter the movement move three times, 1/3 of the amount of gold pieces will be needed, because the same gold coin will move several times.

[76]Marx, K. (1977: 77), *Capital,* Volume 1. Mexico City: FCE.

And this, which is the inverse of how long it takes each piece of gold to change hands within the period being considered, is what Marx will call the "velocity of money." The higher it is, the faster that same piece passes from one hand to another, and conversely, the longer it remains in circulation. If all transactions were successive, then (and this is a complete abstraction) a single piece of gold could have moved an enormously large mass of value because it has been used in so many transactions. Conversely, if all transactions were simultaneous—that is, at the same moment I am taking my commodities to sell, I am also buying—since I haven't yet sold my commodities, I have to have in my pocket the amount of money necessary to pay my seller. Then each piece of gold only circulates once in the period. This would be the other extreme case where the velocity of money would be equal to one. In the first case, with all transactions, it would tend toward infinity.

Here, the average of all the pieces of money in circulation, how many times each one moved during the period under consideration (that gives its velocity of circulation), comes into play, and that's what determines how many units of money will be needed. Marx will summarize it. in the formula [77]:

$$\frac{\text{Sum of commodity prices}}{\text{Number of rotations of the representative coins of equal value}} = \text{mass of money that functions as a means of circulation}$$

That will show how many units of money are needed or how much is circulating.

[...] When a crisis occurs because the process of commodity metamorphosis has been interrupted, it's not a matter of not being able to sell because of a lack of money in circulation, but rather the opposite: because something has hindered the flow of the metamorphosis cycle. Then we have this determination.

Here Marx observes that the total sum of commodity prices has a dual component: it depends on the material mass, the quantity of commodities in circulation, and on the price corresponding to each of these commodities. Then there are all sorts of movements that can occur, whether due to a change in the velocity of money, or in the unit prices of commodities, or in the masses of different commodities entering circulation... All of this can shift in various ways and affect the total sum of commodity prices, as well as the quantity of money units necessary as a means of circulation for all that movement. The conclusion is that a certain quantity of money exists, subject to fluctuations, but what he observes is... And here concrete determinants appear: production crises and commercial crises, the causes of which are not yet apparent. And he concludes: in each country there is a relatively stable quantity of gold that functions as a medium of circulation.

Returning to the point, there's an observation stating that it's not the quantity of gold in circulation that causes commodity prices to fluctuate. The quantity of gold in circulation depends on the price of commodities and the value of each unit of

[77]Formula taken from Marx, K. (1977: 79) *Capital,* Volume 1. Mexico City: FCE. Modified in its form to appear on a single line and improve its readability.

money. Commodities enter circulation without a price, and money without value; it's a matter of proportional quantities between piles of gold and commodities, where two masses lacking common substance are equated. When we looked at the approaches within Marxist political economy, such as Rubin's, those that reduce value to form, money appeared as the entity that confers value upon the mass of commodities that enter into the exchange relationship with it. Underlying these approaches is the notion that commodities enter exchange not only without a price but also without value, and that money, whose value was never explained, bestows that value. Later, we'll also examine some approaches regarding the determination of the magnitude of the value of money. Marx will argue that the mass of money that enters circulation when gold is in circulation is the *dependent variable.* Prices do not depend on the amount of money in circulation, but rather the other way around. Consequently, a *certain amount of gold, no more and no less, can* circulate within the normal range of market forces. We will see later what role this plays.

c) *The currency. The symbol of value.*

From this function of money as a medium of circulation arises its form as *currency.* It is a quantity of gold, which, when viewed as a price, is an imaginary, ideal quantity, but which, in the movement of exchange, must *actually be exchanged* for commodities, which has a monetary name, and which, in the synthesis of all these determinations, [does it "function"? [78]] as currency. Now the determinations of money as currency will begin to unfold.

What will emerge is something we saw when we questioned the function of the price standard, which must be the establishment of a scale for measuring quantities of gold that must have a name, presented as external to the movement of commodities and gold itself (unlike the value of gold, which can act as a measure of value because *it has* value). The concrete way in which this will occur is through the minting of coins, which corresponds to the embodiment of the price standard structure. This falls to the state, which here appears without any display of its determinations; it simply arises from this immediate analysis. The state is a direct social relation that must operate as a form of the movement of the indirect social relation of the process of social metabolism.

Marx also makes an immediate point: the gold and silver coins, which have national names, correspond to internal spheres of circulation within countries. His argument is that just as commodities circulate within these national spheres, there is also a general circulation of commodities, which is the world market. In this market, gold and silver "shed their national uniforms," demonstrating a division between national spheres of circulation and a general sphere.

Let me clarify: when Marx speaks of the movement of gold (D) in the world market, he contrasts it with movements in national spaces, saying: in the world market, money has no monetary name because no state encompasses the entire space of the world market, and it circulates in the form of gold bars or ingots

[78]The recording cuts off for one second.

without a name. There is a movement between the general and national spheres, mediated by the fact that gold, to pass from the national to the general sphere, goes through smelting, and when it returns from the world market to the national one, it goes through coinage. As we continue, we will see that Marx considers money in the world market to exist in its purest form, and he considers that in the world market, gold circulates in its simple materiality, without a name. And we are faced with a world market where gold has not circulated for years, and that is something we will have to address.

What Marx begins to examine is: what happens to gold coins in the process of circulation? When we looked at why gold is not money "by nature" but money is gold "by nature," we saw that the commodity that will function as money must embody the equivalent, and other commodities will express their value in their physical form, which must have certain attributes, such as not deteriorating in contact with the environment because it would lose its value, like precious metals. But however resistant they may be, they wear down. Then the name that a gold coin has as a coin begins to separate from the gold substance it contains. So there are gold coins whose name corresponds to the amount of gold they originally contained, and which they no longer contain. There is a separation between name and value substance, which some suffer more than others.

I use the pound a lot because it's both a monetary name (£) and a unit of weight (lb). All monetary names come from expressions of a quantity of weight. *Weights,* in another era, were a quantity, a specific expression of something weighed on a scale. But if one speaks today of "weight" as a measure of the materiality of something, it doesn't make sense. The pound has retained this identity, and therefore it's easier to express. What's going to start happening? There's a coin called "£1" (let's suppose it's all gold), and on the scale it no longer weighs 1 pound. This disconnect begins to emerge, and it turns out that one is giving a certain quantity of value and receiving in return something that has the name of that quantity of value but lacks the substance of value. So the issue that will arise is this separation between the law in the sense of the real content and the nominal law of the currency.

The possibility then arises that gold could be replaced by mere symbols, objects that represent something, that have a monetary name even though they don't contain the quantity of value substance corresponding to that name. Marx will make several references to different movements in this direction, to the need to fragment the quantity of value represented by a... that corresponds to a quantity of gold, which, instead of using that fragment of gold, is simply replaced by a coin that has the name but doesn't contain gold, which historically were copper coins. And the monetary name is gradually separated from the substance of value. Gold was replaced by these metals of lesser value and, finally, by *paper money,* signs of value. He clarifies that here he is not yet talking about credit, but about paper money issued by the state, the possibility of which arises from the function of money as a medium of circulation. Credit originates in another function of money as a means of payment, which will appear next.

This next point, which I haven't discussed before, is what Marx refers to as the "process of counterfeiting money by princes," which extends from the Middle Ages to the 18th century. The prince, representing the nascent state, incurs debt. He oversees the minting and coinage, but he receives the coins and spends them. When the time comes to repay, he orders that all the coins in circulation be collected and sent to the smelter. He melts them down again, using the same name but with less gold in each coin, thus producing a larger quantity. He returns to each creditor the amount of coins they contributed for the smelter, and he has some left over. With this surplus, he pays his creditors.

Marx argues that this is a struggle between the real creditors (of the royalty) and the real debtors, who ultimately triumphed. The creditors hand over a certain amount of gold, weighed on the scales (regardless of the number of coins), and demand that the same amount of gold be returned to them. The prince's response is: you handed over a quantity of coins with a specific name, and what was returned to you is the quantity of coins with that same name. Thus emerges this disconnect between the quantity of gold and the name of the coins, which plays a central role in this process of substitution with symbols of value, particularly paper money. To draw a parallel, one might recall an Argentine president who said: "To those who invested dollars, we will return dollars..." And then they were given pesos. It is a process of "counterfeiting the princes' money" in these specific forms.

What emerges is the question of ... Gold enters circulation through gold producers, but signs of value are introduced into circulation externally by the state, outside the flow of circulation. Marx argues that the same question that was asked regarding the quantity of gold that can be incorporated into circulation now becomes what happens to these signs of value that enter circulation externally, and which can be added in a quantity independent of what circulation requires.

I pondered a question earlier. Why are gold coins still accepted when they no longer possess the intrinsic value corresponding to their monetary name? Every seller is willing to accept it; everyone knows there isn't 1 pound of gold in a 1 pound coin, provided that when they buy from it, it's accepted as 1 pound of gold. As long as this separation between substance and name is accepted in circulation, it makes no difference to those who own commodities and simply want money for circulation. But there comes a point where the separation becomes so great that it no longer matters. Then there's a whole process of regulating when a coin can no longer be accepted by its name because there's a sufficiently large difference between substance and name.

Banknotes have no intrinsic value; they are the product of a quantity of labor that has nothing to do with their name. This condition, which when compared to gold allows for a certain degree of tolerable separation beyond a certain point, is not tolerable here from the outset; the separation is absolute. The condition for replacing gold with symbols of value is that these symbols have legal tender status: that the individual who is to receive the money cannot refuse to accept them as money. In the past, Argentine banknotes bore the inscription "Legal Tender": the law states that they are legal tender, that they must be accepted. This corresponds to circulation within a national territory, where the money appears with a name,

and the capacity of the symbol to circulate, in this case, cannot transcend the national territory of the state that issued it.

Gabriel: When I talk about gold, I think about these proposals from liberals to return to the gold standard. What implications would this have from our perspective?

JIC: That's very complex. We first need to look at what happened to the amount of money, of tokens of value that are in circulation. We have to differentiate between the mechanism itself and the reasons why that mechanism is set in motion. Unfortunately, at this point, we're only going to look at the mechanism, not the reasons; with the information we have, we can't make any progress on that. I understand that your concern, Gabriel, is more related to the reasons why the mechanism is set in motion, which means we won't be able to stop there.

The final section of this chapter is world money. When money enters circulation in the global market, gold is needed in its simplest form, and this will be addressed when the discussion of world money begins. One encounters a stark contrast in how money functions in the global market today. Everything one observes in concrete terms is the opposite of what was presented here, which I will simply list: monetary tokens (not even coins) circulate, inherently lacking value, without legal tender status, yet functioning in circulation. And phenomena arise whereby, in national territories where these tokens of value are not legal tender but the national currency is, transactions occur in which the national currency is not accepted, only the one circulating in the global market despite its lack of legal tender status. Conversely, there are transactions where it seems absurd to use a token from another national territory, yet operations involving them occur. This is where the concept of treasury emerges, its modern form being national treasuries. For Marx, a treasury can only consist of gold because it has value; the sign of value serves only for circulation. National treasuries—with a few exceptions—contain little or no gold; they consist of signs of value and debt securities from other nation-states, particularly from the world's largest debtor, which is incapable of repaying that debt. Therefore, these treasuries are formed by promises of payment from a debtor who is utterly insolvent, but who simultaneously has the ability to pay by issuing securities, which anyone can do.

[Responding to Tomás] What the debit card does is establish that what used to belong to so-and-so now belongs to what's-his-name.

Tomás: Would Bitcoin be considered an accounting entry?

JIC: It has other characteristics: it's not issued by the state, it's private money, it has accounting entries that have a certain complexity… But it's… Well, let's see how it fares in the general market. They're not even forms of money; they don't come from the development of credit, but from speculative movements. But anyway, we're not going to see Bitcoin.

[Answering another question] One of the reasons we stopped to look at the labor applied to the production of gold that will function as money… what was

happening, even in the simplicity with which we viewed it? Society applies a certain amount of its total labor power in a specific form that produces neither means of production nor means of subsistence. Therefore, the substitution of gold with signs of value implies that the less these signs of value cost and the less need there is to replace them, the less labor power is wasted on something that is not a use value for human life (even though it is later wasted in other ways). From this point onward, we can see what might drive the substitution of gold with signs of value.

In the capitalist mode of production, this has other determinants, but even in this simplest determination, it makes sense to substitute gold with signs of value from the standpoint of the development of society's productive forces and the simple reproduction of society, because it frees up labor that would otherwise have to be applied without producing means of production or means of subsistence. If society puts 100 units of labor into operation and has the product of 80 available to reproduce its metabolic process, since the unit is established indirectly, 10 are lost because they produced non-social use values, and another 10 because they were applied to the production of gold. Then these movements appear. In a society where the general social relation is carried by each individual in their pocket, takes the form of a thing, is not a personal attribute, every development of a speculative nature, of illusory movement, will find its space. And Bitcoins have the dual condition: they are speculative movements and have a purely apparent character.

[II]

We were looking at how much gold can be put into circulation at a given time, compared to the mass of value that needs to be moved in circulation, and the velocity of money. We had begun to see the possibility of money being replaced by mere signs of value. We saw how the very movement of gold in circulation separates the real content of gold from its monetary name, which nevertheless can continue to circulate. Then there was the counterfeiting of money by princes, and finally a point at which all the gold in circulation can be replaced by paper, securities, signs that represent value, in place of that gold. Since these signs lack intrinsic value, the condition for their circulation was *legal tender status.* […] What I think we hadn't seen is what happens to the circulation of signs of value in relation to the circulation of gold.

Regarding gold, we had established that a certain quantity is acceptable because gold itself—regardless of whether its name corresponds to the substance or not—contains a certain magnitude of value, which it cannot express on its own. But since it contains this magnitude, only this quantity is acceptable. I don't recall if last time I expanded on a point not found in Marx's text. Marx says: a certain quantity is acceptable because if there is too much gold in circulation, it will be exchanged for less than its value, and gold is the expression of value. Gold doesn't need to confirm its value upon entering circulation. In these simple determinations we are examining (I was going to phrase it in these terms, which aren't quite right, but…) it makes no sense, when there is a surplus of gold, to try to exchange it for less than its value. This surplus gold will be withdrawn from circulation and, consequently, will be exchanged as money at its value. When gold is scarce, it will be exchanged for more than its value, and in that case, it makes sense to put that withdrawn gold back into circulation, because it is being exchanged for the product of more socially necessary abstract labor than it embodies. That is the regulatory mechanism by which a certain amount of gold is available. But the underlying principle of that mechanism is that gold has value. What about the signs of value? In Marx's theory, they only serve for circulation. He clarifies, referring *only* to the D-symbol that corresponds to the function of *a medium of circulation,* not to the D-sign that arises from the function of money as *a means of payment,* which is something that will appear later.

What we're going to have is the question of how many signs of value can fit. Marx will argue that while gold enters circulation—as part of the movement of commodity exchange—through its production and does so directly, signs of value enter circulation *externally;* they are put into circulation by the state. Their entry is independent of the movement within circulation. What will follow is this: the state can put into circulation all the signs of value it likes. They only serve for circulation; therefore, all those put into circulation will indeed enter circulation. But since there is a mass of value already moving within circulation, and the velocity of money is the same whether it's a sign of value or gold, when these additional signs of value, beyond what is necessary…

The issue here is that if the denomination is "£1" and what was previously in circulation was 1 lb [79]of gold, when the number of £1 banknotes exceeds the number of coins containing 1 lb of gold, since they all still have to enter circulation, each one will represent less value because it will be absorbed into circulation. The way each one will represent less value is that the price of all commodities will rise. If more banknotes are added, since they *all* have to enter circulation, each one will represent a smaller portion of value, and more banknotes will be needed to express the same magnitude of value as before. Therefore, the exchange value of commodities, their price in terms of value, will rise.

Marx says: if this continues, the sign loses all capacity to represent value and must disappear from circulation. Experience, at least in Argentina [...] is that signs of value can continue to enter the country, prices rise and rise, and the sign does not lose its capacity to represent value: it continues to function as a medium of circulation. Therefore, the laws governing the circulation of signs of value are the opposite of the laws governing the circulation of gold as money. A specific quantity of gold enters the country; all signs of value that are externally introduced into circulation enter the country.

I mentioned to you last time the specious formulas [80]I use to explain this contrast, and we hadn't used them. But now I'm going to allow myself to use them to show what changed in the circulation of currency with respect to gold.

Amount of monetary units that fit in circulation

Gold

$$q£_g = \frac{\sum_{i=1}^{n}(q_i \cdot v_{i_{£_g}})}{m}$$

This is the formula that Marx will use in *Capital.* It is a quantity of money in gold ($_{o)}$ that has a monetary name (£), and q corresponds to the quantity [$q£_{o]}$. And he will simply put into play: the total mass of value that is in circulation results from adding up the different types of commodities that enter that circulation, the quantity of those commodities multiplied by the "price" (Marx will refer to the price, but in its purest form it is the value [v_{ij} of each commodity expressed in quantities of gold, in this case £, in money [$_{£]\,or}$), divided by the velocity of money circulation (*d)*.

The greater the mass of commodities, the greater the quantity of gold required, and the greater the velocity of production. But this quantity of gold is subject to the relationship between the amount of socially necessary abstract labor embodied in each commodity and the amount embodied in each unit of gold. This isn't explicitly stated in the formula but is implicit: if each unit of gold contains a larger magnitude of value, a smaller quantity of gold is needed to express the value of

[79]Pound (unit of mass).
[80]Fraudulent, invalid.

each of these commodities, and therefore this expression of the value of the commodities in gold will be smaller. Conversely, more units of gold would be needed. This is the genuine formula, which implicitly contains this determination.

Amount of monetary units that fit in circulation
Gold (invalid formula presented to make explicit the determination because gold cannot express the magnitude of its own value)

$$q£_g = \frac{\sum_{i=1}^{n}(q_i \cdot v_{i_{£_g}})}{1_{v_{£_g}} \cdot d}$$

This is the first invalid formula. But it serves to show that, depending on the magnitude of the value of each unit of gold, more or fewer units are needed, which is related to the expression of the value of all other commodities in that gold. It is invalid because no commodity, not even gold functioning as money, can express the magnitude of its own value. And here the value of gold would appear expressed in quantities of gold.

Amount of monetary units that fit in circulation
Gold (invalid formula presented to explain the determination, because the value can never be expressed in amounts of labor)

$$q£ = \frac{\sum_{i=1}^{n}(q_i \cdot t_i)}{1t_g \cdot m}$$

This is the second invalid expression, because I substituted value with "socially necessary abstract labor" expended in producing each commodity, and that which is enclosed in 1 unit of gold [1 t_{oJ}. It is invalid because value is quantities of labor *but* It *is never expressed as quantities of labor.* This will play a role when one looks at the substitution of gold for signs of value. Why is this? I will take it in this invalid expression. The dependent variable or unknown I have in this equation is how many pounds of gold fit into circulation. The quantity of commodity units in circulation is given; it is an independent variable. The amount of SNALdPaI spent to produce each commodity is given by the normal conditions of the time. The quantity of abstract labor embodied in 1 o is also given by what is normal for producing it. And the velocity of circulation of gold is a given technical relationship. Thus, on the right side, one has all the independent variables of the relationship, and on the left, the dependent one. The same thing happened with the previous invalid formula: the value of a unit of gold, of the commodities, the velocity of circulation… are given. Conclusion: When gold circulates directly, the amount of currency entering circulation is the dependent variable because each unit has a value corresponding to the amount of gold it contains. But what happens when gold is replaced by tokens of value?

$$q£ = \frac{\sum_{i=1}^{n}(q_i \cdot v_{i_£})}{1£ \cdot m}$$

Here, the following is valid. This quantity q has become an independent variable: the state can externally put into circulation an indefinite quantity of value symbols. For the equation to be satisfied, some variables that were independent must now become dependent. I'll start from the end: the velocity of money remains independent. Where I previously had the value of gold, now I have a value symbol that says £1, an independent variable. When I look at the quantity of units produced (q_{i}), it remains an independent variable. The only one that becomes dependent is the expression of the unit value of commodities in £ ($v_{i£}$), which is simply a symbol.

That is why, if more tokens with the same name as gold as money enter circulation, the adjustment of the equation will occur on the price side, which is the expression of the value of commodities in tokens of value: more tokens of value will be needed to express the same magnitude of value as before. Consequently, each token will have lost a proportional part of its capacity to represent value. If this movement continues, what we will have is a permanent movement, this accumulation of tokens of value beyond what would be possible if a single commodity-money were circulating, and the prices of all commodities will continually rise. Thus, when tokens of value circulate, the quantity of money entering circulation is an independent variable, and the expression in it of the value of all commodities is the dependent variable, because each unit of tokens of value has no value in itself and must enter circulation.

[...] I'm going to clarify some points that underlie some of the issues surrounding this topic, which usually provoke adverse reactions toward me personally and toward Marx's work. Marx argues that the law (not in the sense of a legal law, but rather *the law governing movement)* that governs the circulation of value-signs is the opposite of the law that governs the circulation of gold. Everything is reversed, but what's wrong with economists? When they look at movement, they apply the laws of the circulation of value-signs to the circulation of gold and believe that gold's capacity to represent value depends on the amount of gold in circulation. And this is what was known in Marx's time, and is still known, as the quantity theory of money [81]. Marx criticizes it, saying: they are applying the laws of the circulation of value-signs to the circulation of gold, which are the complete opposite. Gold's capacity to express value depends on the value of gold. In the case of tokens of value, it depends on the number of tokens in circulation compared to the number that would be needed if gold were nominally circulating under that name. This is where the inversion comes in.

And what other discussion follows from this? It is this: with tokens of value, their capacity to represent value does not depend on their quantity, and the state can put more tokens of value into circulation without raising prices. These are

[81] https://economipedia.com/definiciones/teoria-cuantitativa-del-dinero.html

Keynesian arguments, mixed with Ricardian ones; there are various versions. It's important to note that here we are only looking at tokens of value replacing gold as a medium of circulation; we are not talking about the means of circulation that arise from the function of money as credit—that is excluded. Today there is a mass of money that originates from its function as a means of payment. In some countries this is not the case, but in others the mass of "bank money" in circulation is much larger than that of tokens of value, and the movement is the same but more complex.

If I am going to explain what happens to prices in relation to the quantity of value signs in circulation, the starting point is this exposition. But now I am going to take the starting point in reverse: can a seller of commodities raise prices at will? Marx analyzes this in Volume 3, but let's look at this reasoning. If someone [...] [82]raises them above value, then there is no unity in the general movement of social labor, because it is the total mass of social labor that is expressed in the mass of value of commodities. If someone is arbitrarily raising their price above that level, it is equivalent to someone else driving it down. But what Marx is going to ask is: if every commodity owner could raise prices by x%, why can't they raise them by 2x%, or 10x%? And if someone has the power to raise the price of their commodities above value, why shouldn't other private and independent producers have that power?

Even in these simple terms, an explanation emerges, one of whose authors was an Argentinian who died not so long ago, Julio HG Olivera. His analysis states: there is active money and passive money. Active money would be what is written here, and passive money is: as someone raises the price, the state validates it by releasing more tokens of value into circulation: “passive,” the quantity of money keeps pace with the price increase due to the will of the sellers of commodities.

If I consider whether prices can be arbitrarily increased, I first have two variables: 1) *the quantity* of money; 2) the price increase. If I say that no one can arbitrarily raise prices above value because the unity between production and social consumption will be imposed through value, the starting point cannot be the arbitrary increase of prices. If I consider the other variable, leaving the will of commodity owners unchanged and changing the quantity of money, what will happen is that (assuming more signs of value entered circulation than could be accommodated at that moment) this money put into circulation represents a larger, more readily available social need, which faces a given quantity of produced commodities. Consequently, initially (let's take this as a general, average situation), all sellers of commodities find that there is more readily available social need for their commodities than before. And this readily available social need must be reduced by raising the price.

It is not, then, the will of commodity owners that mediates, but rather the very mechanism of circulation, the unity between social production and consumption, in the face of a movement that is external to that production. Marx quotes W. Petty, a physician roughly 100 years before Adam Smith, and refers to him as the father

[82]The recording cuts off.

of political economy. He quotes Petty as saying: if social wealth could be multiplied by decree, it would be surprising if states were not constantly issuing decrees, for what more could a state want than to multiply social wealth?

To clarify: when the norm in a national economy is a constant rise in the general price level because more signs of value are constantly entering circulation than can be accommodated relative to the mass of value that needs to be circulated… one has to differentiate between the mechanism and the reason why more signs of value are put into circulation; it can't be explained by referring to a madman at the central bank. There are no madmen there (sometimes there are individuals who deserve the label, but that's not why they 're there). When this is systematically a concrete form of a national process of capital accumulation, what we have to ask ourselves is what role this phenomenon, so normal in that process, plays, just as its absence plays in other processes.

The other issue at stake is that what does change is who possesses this general representative of social wealth. If the state issues the symbols of value and gives them to a particular individual, that individual now has more claims to the total social wealth than before, and consequently, everyone else has fewer claims. What is clear is that this mechanism is a form of wealth appropriation. It is what occurred with the counterfeiting of money by princes. […] This is the mechanism in its simplest form; the rationale behind this mechanism is beyond the scope of this discussion.

What Marx proposes is a synthesis of this: why can gold be substituted by signs of value that are themselves worthless in circulation? Because of the role money plays as a medium of circulation: allowing commodities to change hands. They remain within circulation; they cannot leave it. It is the function they fulfill that enables this movement. They must have social validity, that capacity to fleetingly represent value when each commodity exchange occurs, and consequently, it reappears that the condition is that they have legal tender status granted by the state. Therefore, they can only fulfill this function as a medium of circulation within the space that corresponds to this state.

3. Money.

a) *Hoarding*

This brings us to point 3 of Chapter III, where Marx presents *money* as the synthesis of the developments we have seen so far, and what will be unfolded in this regard: the definition is at the end of the discussion. There are a series of assertions that were previously presented: money is the commodity that functions as a measure of value or as a medium of circulation, either in itself or through a sign. Gold and silver are money in this function. It can act on its own, it can function as an ideal measure of value, and it can function (in which case it is not in circulation) with a representative in circulation [the signs of value]. Therefore, it is the complete, unique form of existence of exchange-value in relation to other commodities.

And Marx will now develop functions that arise from its function as money. The first will be the function of hoarding, of functioning as a treasure. Up to this point, we have seen gold moving in circulation. Every producer of commodities knew that what they had to produce was value, whose representation is money. And what appears up to this point is this "evanescent" function of gold as a medium of circulation. Money operates in a continuous movement, and what will appear is the transformation of money from that continuous movement functioning as currency, to simply functioning as money when the metamorphosis of the commodity is interrupted: there is a sale that is not followed by a purchase, and the money remains withheld outside of circulation.

There is a first step in Marx's development where this sale not followed by a purchase emerges as a formal possibility. It is a movement where [...] [83]someone sells a commodity with a certain value, wants to buy another with a higher unit value, and therefore has to sell several units of their commodity until they accumulate the necessary amount of money to buy the other. Or it may be that one goes to the market and the commodity they wanted to buy is not there. But now what will appear is that it is not simply a circumstantial matter, but rather that the purpose of the sale is to immobilize money outside of circulation. It is not about selling something that has no use-value for oneself in order to obtain a use-value for oneself, but rather to obtain money. What will occur is a transformation in the personification of the commodity because money will become treasure and the seller a hoarder, the one who personifies hoarded money.

It will appear as a form that arises from the very beginning of the circulation of commodities, because what the hoarder retains, which takes the form of a mass of social wealth, is social power: the capacity to say what is a product of the SNALdPaI and what is not. But it is a social power that cannot be exercised; it is held captive, because one buys in order to exercise it, and then it ceases to function as a treasure.

Marx then examines the development of how hoarded gold comes to be, beginning with how gold enters circulation. We see again that the gold producer doesn't sell; they always buy because what they possess is money. And now, what must appear in this process is a sale that isn't accompanied by a purchase. As gold flows through circulation, it accumulates at various points, and these hoards of gold and silver appear in varying quantities. This takes shape in the consciousness of the hoarder. "The lust for gold" emerges as their defining characteristic, since it represents social power: in a society where social wealth is expressed as money, everything is bought and sold, whether or not it's a commodity. It is the possibility of wielding social power, which transforms every social relationship in the capitalist mode of production into a monetary bond.

Marx refers to how the development of money dissolves all previous bonds (of personal dependence), and then denounces the role of money in societies where these bonds are dissolving, as "degrading" the life of society. Here we have an

[83]It cuts out.

objectified representation of social wealth, which is privately owned, and the magnitude of this social power is determined by the size of the hoard. Consequently, the only qualitative difference between one hoard and another is a quantitative one. What then emerges is another determination of the hoarder 's consciousness: it has no limit; it is always pushing further in its eagerness to retain gold as money and to sell without buying. Marx says it is like the torment of Sisyphus in the process of accumulation: each time he reaches a limit in his hoard, he has to do the same thing he just did to increase his treasure. And he will say that it is the same as the conquerors of the world, who in each country they conquer find a new frontier and will try to go further.

"The hoarder sacrifices the pleasures of the flesh to the fetish of gold" [84]: he abstains from consumption, is industrious, avaricious... These are the virtues of the hoarder, "and selling much and buying little is the essence of his economic science [85]." Later, in very different terms, Marx will refer to the fact that, beyond certain limits, treasure is not simply an accumulation of gold, of social wealth, but takes on aesthetic forms, an exhibition of that wealth, which is not merely a mass of gold coins. Which, in any case, whenever necessary, goes to the melting pot, leaves its aesthetic form, and functions as money.

Tomás: I remember that phrase of Proudhon's that always stuck with me, about how the "accumulator," by taking money out of circulation, somehow cancels it out. What did Proudhon mean by that? And the second thing I'd ask is... By taking it out of circulation, will the money that remains be worth more?

JIC: I couldn't answer you about Proudhon because I don't recall him at the moment. It sounds to me like the quantitative theory of money: it's taken out of circulation and then it ceases to have any effect on prices. But I can't assure you that's the meaning Proudhon intended. Regarding hoarding... here I'm going to make a comparison that I shouldn't make at this point.

The hoarder stores gold; he doesn't use it as capital. Marx will later say that the capitalist is the rational hoarder because what he does is multiply the money he has with that money. The hoarder doesn't multiply it on his own. The concept of aesthetic form appears, and Marx will also apply it to capitalists. In his origins, the capitalist is industrious and thrifty and is required to invest and increase his capital, but at a certain point (this is much more complex in its development), the representation of capital also needs aesthetic form, which highlights the luster of the money's possessor. It's part of functioning as a capitalist/ hoarder, part of his consciousness. I return to the previous point: it's quite possible that Proudhon adhered to the quantitative theory of money, which states that the amount of gold in circulation affects prices.

Javiera: I'm not clear on what happens to the money that's saved. Does it lose value?

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[84]Marx, K. (1977: 91) *Capital,* Volume 1. Mexico City: FCE.
[85] Ibid.

JIC: Treasure only makes sense in relation to gold, not to symbols of value. The misfortune that can befall the hoarder is that the productivity of the labor that produces gold increases, and the value of their accumulated gold decreases, but that's not what we're analyzing here. We assume that the productivity of that labor remains constant, and what the hoarder has retained is a mass of value, a capacity to dispose of the product of social labor performed privately and independently, which is in a latent state. Up to this point, we've seen how the formation of these emerging treasures unfolds. What follows is the role these treasures play, beyond simply being an accumulation of social wealth by an individual.

Javiera: I have another question. Marx speaks of these forms of hoarding as having become "perpetuated" in societies with a traditional mode of production. Did they exist before capitalism, only under capitalism, or how?

JIC: Hoarding stems from a process of commodity circulation within societies where the general social relationship is based on bonds of personal dependence, not money. By separating buying from selling (which emerged with the possibility of crisis), it decouples the supply of commodities spatially. That's one aspect of its power: I can sell here and buy in another community (another space of social production and consumption), and so on. Therefore, it has the power to multiply the productive forces of human labor compared to primitive communities and gradually dissolves bonds of personal dependence.

In societies like this, money and the incipient process of hoarding are seen as a condemnable process: it dissolves society. It's not that hoarding exists in these societies and is later displaced by accumulation in the capitalist mode of production. Treasures do exist, though — I'll say this upfront—their modern form is national treasures. Private treasures exist, but the expression of this treasure is found in the state. For the multiplication of social wealth in this form, capital is much more powerful than treasure, which only accumulates and is lifeless; it doesn't multiply on its own. Capital is money, which does multiply on its own. The concept of hoarding is linked to the transition to the capitalist mode of production. In the capitalist mode of production, it is erased; the central figure in the manifestation of wealth is not treasure, but capital.

I was never able to find the source, but someone once suggested to me that the origin of the "sabbatical year," of the expression "forgive us our debts as we forgive our debtors," comes from Jewish society (I don't know from what period) during a process of dissolving bonds of personal dependence. For seven years, the commercial bond develops, and the jubilee after seven years is like "we go back to square one [86]," and the personal bond is re-established for the reproduction of society's life; it returns to the point of personal dependence. That's why: debts no longer accrue; it's like: we shuffle the cards and deal again. I never bothered to try to verify this, nor do I remember who suggested it to me, but it was a respectable person.

[86]RAE: "1. loc. adv. colloq. *Arg. and Ur.* As at the beginning or from the start. *Everything went back to square one. Let the process restart from square one.*"

It is this transition to the dissolution of bonds of personal dependence that is seen as the disintegration of society, and it is very pronounced in the transition from feudalism to capitalism. Marx quotes Shakespeare on money. In Spanish literature, there is the Archpriest of Hita, from the beginning of the 13th century, who wrote the *Book of Good Love,* which contains examples, or something like that, about what money does. The reference is very clear to the dissolution, not so much of bonds, but of personal attributes. What appears there are the properties "that money has" (in Old Spanish). Money makes the individual who is useless, who lacks certain personal attributes, equal to those who do. And this is the condemnation of that transition. If I remember correctly, Saint Francis of Assisi is also one of the expressions of this dissolution: the condemnation of money as money, and consequently of wealth (not capital).

We move on. What emerges is the function of the treasury. Up to this point, it seemed to stem from the fact that wealth takes this form and accumulates; there is the consciousness of the hoarder. And here we will see the function of the treasury: to regulate the amount of gold in circulation. When there is a surplus, it is hoarded; when there is a shortage, the treasure goes to the smelter and returns to circulation as currency. A money reserve is needed to sustain the flow of circulation. Like any self-regulating system, the only way to maintain its functioning in the face of fluctuations is to have this reserve where the surplus is withdrawn and from which it is drawn when there is a shortage.

b) *Means of payment.*

Now we should consider the function of money as a means of payment. Here, a reversal will appear in the movement of the metamorphosis of commodities and, consequently, in the moment when commodity owners can enter into relationships with one another. Initially, the issue arose that the relationship between buyer and seller can be mediated by periods of sale rather than purchase. There are use values that are sold periodically because they will be used; their consumption will span a long period (Marx gives the example of housing), and here the possibility of buying before paying emerges.

There is a seller who sells their commodity, but the buyer doesn't hand over money in exchange, but rather a promise of money: this is a sale on credit. The roles of seller and buyer then change: the seller becomes the creditor and the buyer the debtor. Now money will intervene as a means of payment. In this intervention of money as a means of payment, it is no longer simply an instantaneous relationship between personified commodities and money; now there is a creditor and a debtor. There is a relationship between two personified entities that will be maintained over time until the debtor settles their debt. Marx observes that this relationship will be less peaceful and has a more manifest objectification because now it must be established that the buyer purchased the commodities but did not pay. This permanent objectification of the relationship and its antagonistic nature can be projected onto individuals, particularly onto the debtor when the creditor says, "If you don't pay me, I'll break your legs." It can affect them as a "person," so to speak.

Javiera: It's not clear to me what the equivalent would be that the debtor would be handing over [87].

JIC: The debtor has to deliver the money, which first takes the form of a promise of payment that is in the person of the debtor.

Javiera: That's what I'm getting at: I don't understand in what sense the promise of payment is an equivalent.

JIC: It then has to be converted into an effective equivalent; payment has to be made. Here, the order of the cycle is altered. In the function of money as a medium of circulation, it is: you sell to buy. In its function as a means of payment, the purchase has already been made, the commodity has been withdrawn from circulation and brought into the sphere of consumption, and its use value may even have been consumed. Now: payment has to be made. So the buyer on credit has to sell to pay, not to buy because they have already done so, they have disposed of the use value. At that point, they have to bring the hard cash; they have to withdraw that real money from this sale.

The representation of the movement of money as a medium of circulation is this:

$$C_1\text{-}M\text{-}C_2 \nearrow Co$$

It's about selling M1 $_{to}$ buy, taking M2 $_{out}$ of circulation and bringing it into the sphere of consumption (*Co)*. Marx doesn't use subscripts; I do so for pedagogical reasons.

This is the one about money as treasure: it is sold to hoard money, the movement was cut off.

$$C_1 — M$$

And this is the function of money as a means of payment:

$$C_2 \nearrow Co \qquad C_1\text{-}M$$

[87]Later, Javiera says she thought it was a loan and not a purchase to be paid for in the future, like an installment sale, etc. In other cases, it's the opposite: payment is made in advance before the item is available for use, that is, before it is sold.

This is where the M1 and M2 concepts come in. I bought M2, put it into consumption, and now I have to sell M1 to get money and give it into circulation to the creditor: I sell to pay.

Aristides: Likewise, Juan: does that have the same legal form as a sale, is it a contract, so to speak?

JIC: It always is, it's just that it's a contract with much more... Marx uses the term "crystallized" forms, because I buy and pay at the moment, and the simple transaction is all the formalization that's needed. Legally, this appears with the terms... There are sales contracts that require more formalization, but with movable commodities, the legal reflection of this is that possession presumes ownership. If I have something movable, it's because there was a purchase transaction. In fact, one makes a lot of purchases that don't have any kind of formalization; rather, the formalization comes for tax reasons. The invoice is because the state needs to verify that the transaction took place.

In the case of credit, a more extensive formalization is required because it needs to be documented that the buyer is now the debtor and must pay at a specific time. Therefore, documentation is required that is no longer simply for state control, but rather serves as proof that the debt exists: precisely because possession presumes ownership, I have to demonstrate that the individual possesses what I sold them, but hasn't paid for it. The debtor and creditor are clearly identified. In a sale, the very nature of the transaction doesn't necessitate formalizing who is who.

We still need to finish a bit more on this function of money as a means of payment. But in what follows, a statement by Marx will appear that is particularly thought-provoking. I mention it now, but we won't elaborate on it. The expression that Marx uses, referring to what happens to the debtor in this relationship, is this:

> It is also possible that these same roles may be presented on stage independently of the circulation of commodities. Thus, for example, the class struggle of the ancient world, that is, classical Greece and classical Rome, "primarily takes the form of a struggle between creditors and debtors, ending in the subjugation of the plebeian debtors, who are turned into slaves [88]."

This contrasts with the *Communist Manifesto,* which states that history up to this point has taken the form of class struggle, and in that struggle, slaves and masters emerge. And we always pause to consider the meaning of this contrast, what this movement reveals.

We're missing a long section on the function of money as a means of payment, and then we'll get to what Marx considers the full expression of money, which is world money. He'll then elaborate on its functions, and world money today takes forms that, so to speak, clash with several of the things that have emerged and, in particular, don't coincide with, or aren't fully presented in, the form that Marx describes here. So we'll look at what Marx proposes and then ask ourselves

[88]Marx, K. (1977: 93), *Capital,* Volume 1. Mexico City: FCE.

whether these forms that appear there are still valid or not, and whether we can account for the functions of world money today simply with what we have so far.

[II]

We had been examining the function of money as a means of payment, the transformation of the seller into a creditor and the creditor into a debtor, and of money into a promise of payment. When Marx elaborates on this function of money, he states that the development of this function is not only linked to the circulation of commodities, but that these conditions of debtor and creditor arise independently of circulation. He gives an example from the class struggle of the ancient world, in which plebeian debtors end up as slaves. He then adds: “In the Middle Ages, this struggle ends with the defeat of the feudal debtor, who loses his political power by losing his economic base.” This relationship arises outside the exchange of commodities.

What always caught my attention in this paragraph was the reference to class struggle, where it appears as a relationship established between debtors and creditors, consequently between personifications, not between people. And it's clearly stated that this relationship is *specifically* class struggle, which contrasts with the *Manifesto* that begins by saying: “The history of all hitherto existing society is the history of class struggles.” And in *Capital,* Marx… One could say that it's actually the way it's presented, or perhaps not, that he's emphasizing a specific point. But he says it ends with the defeat of the plebeian debtors, who become slaves. The struggle between masters and slaves doesn't appear. In the FCE translation, it's unclear which ancient society Marx is referring to when he gives the example, because he says “in ancient society” and then this relationship is specifically described as occurring in the case of Rome. In the other translations, the reference to Rome appears.

From my point of view, this approach raises a question and forces us to confront it. Is class struggle common to all forms of society, or is it—and therefore classes—specific to the relationship between individuals mediated by money, whether or not it arises from the circulation of commodities? But in the case of debtor and creditor, what exists are not relationships of personal dependence but rather relationships between mutually free individuals. This is something we must keep in mind as we continue to move forward, particularly when social classes appear in relation to the relationship between individuals, when the term "classes" reappears in reference to the relationship between workers and capitalists. In the *Manifesto,* class struggle refers to antagonistic relationships between social subjects who have bonds of personal dependence. And here it is emphasized as specifically characteristic of individuals who do not have bonds of personal dependence. That one is *classified* not by one's personal attributes but by one's status as an individual.

I simply want to emphasize this point and discuss it as much as you like, but what I want to highlight is that there are two ways of presenting the classes throughout Marx's texts. Beyond the clarification that Engels introduces regarding the statement in the *Manifesto,* which obscures more than it clarifies, because Engels refers to written history, it's clear that the paragraph in the original text isn't talking about written history but about the entire development of human society. This reveals the contradiction in that statement regarding primitive

communism, where the question is whether or not there are antagonistic relationships within that society. Marx had indeed spoken about primitive communism by this point.

I would like to clarify that the *Manifesto often refers to* class struggle as the "driving force of history," but to say that history is the history of class struggle does not mean that class struggle is *what drives* historical development, but rather that historical development *takes the form* of class struggle. However, in the *Manifesto,* it is presented as universal, while in *Capital* it refers to the antagonistic relationships between creditors and debtors (links established through money), not to antagonistic relationships mediated by bonds of personal dependence.

Javiera: In this translation, the reference to Rome appears, but it says: "The class struggle in the ancient world develops *mainly* ...," so, when I reread it, it seems to me that in general it would appear under this form of personification, and so my question is like: right, what would that other thing be that stems from what isn't the *main one* ? And now that you mention it, years ago some colleagues and I discussed this and I'm still confused about the *Manifesto;* for me, the class struggle was the form that mediated the relationships between personifications, I hadn't considered it in relation to the people.

JIC: It's common to read that the class struggle (because it's in the *Manifesto)* is a relationship between people, taken universally. What I emphasize is: one can take it abstractly like that, or one has to distinguish it as a condition that is specific to relationships between individuals who don't have bonds of personal dependence. When one thinks about ancient society, it's *primarily* not a struggle between debtors and creditors, but between masters and slaves. Then, in feudal society, it's not between feudal debtors and feudal creditors, but between lords and serfs (it's stated that way in the *Manifesto)*.

Here we have a reference to social classes in a society where, up to this point, we only know that there are producers of commodities who are all the same; there is no differentiation between them. We observe that they have universal antagonistic relationships, everyone with everyone else; it's not a matter of some against other producers/owners of commodities. So, up to this point, it's not appropriate to dwell on a differentiated class determination. But for me, it's important to emphasize this. When we are faced with the differentiation between owners of commodities, we will again be confronted with the question of what to call this antagonistic relationship between owners of commodities who have different attributes of a specific nature. For now, this is merely to provoke unease. All relationships are antagonistic: between buyer and seller, which "has a greater crystallization" in the debtor-creditor relationship, which continues until the debtor settles the debt by paying it off. But there isn't a class of debtors and a class of creditors in what we observe in the market relationship. The reference to social classes is made in *Capital* outside the capitalist mode of production, but it refers to relationships between subjects who have no personal dependency. It's as if one were classified not by a personal attribute, but by a condition external to the person.

[Responding to Aristides] [...] In *Capital,* what appears makes one wonder if the *Manifesto* is the same, because the reference to that antagonistic relationship refers not to bonds of personal dependence, but rather that this class struggle develops and *ends* in bonds of personal dependence. It doesn't say that it takes the form of a struggle between masters and slaves, it says that it "culminates" (which can have different meanings) in the transformation of plebeian debtors into slaves. And then the feudal debtor appears. The point is simply this: I look at it here and two different expressions appear regarding what a class is and the class struggle. My intention in raising this is: this is something worth noting and questioning its determinants. Since we haven't yet reached the topic of social classes in the capitalist mode of production, it would be a leap to try to answer this question. But let's keep it in mind, because this is a matter we need to consider.

The idea of the "engine of history" appears very prominently in the arguments that reverse the determination of something else that appeared in Chapter II: the relationship between the economic base and the legal superstructure. Because if what drives the process is the class relation, what explains the movement of the economic relation is the relation between classes; it's not that the economic base takes shape in the class struggle, but rather that the class struggle takes shape in the economic bases. In any case (I don't remember exactly now), in the text that is one of the foundations of the *Manifesto,* written by Engels [89]as a catechism, the phrase isn't exactly like that, but it might be closer to that version. But in the published *Manifesto,* the class struggle isn't the engine of history. If I'm not mistaken, that expression appears in Althusser.

Ignacio: I have a mug that says the driving force of history is the class struggle. What should I do, throw it away?

JIC: I think it's not for... Subject it to criticism, I don't know [Laughs].

[...] We continue to explore the function of money as a medium of exchange. What changed with the introduction of this medium of exchange compared to what we saw with money as a medium of circulation? In the medium of circulation, the two poles of the movement were simultaneous (buying and selling). Now, the price is no longer realized immediately in money: it appears as a promise of money. The buyer undertakes the obligation to pay. Thus, Marx will explain that if money functioned as a measure of value in its role as a medium of circulation, it now functions (in addition to being a measure of value) as an ideal means of purchase: money itself is not present in the transaction, only its promise.

The next thing that happens with the movement of money as a medium of circulation is that, previously, it remained in circulation; it couldn't be removed from circulation. What emerged was that it could, circumstantially, leave it. In the function of money as a store of value, it does leave circulation, interrupting it. Now, money as a means of payment enters circulation, but not with the release of the commodity; rather, the commodity has already left circulation, realized as a use-

[89]The text is *Principles of Communism.*

value. There is a closing of the cycle of metamorphosis, which moves independently of the movement of commodities and is completed by putting money into circulation. The debtor's purpose in selling is not to access the use-value (to buy) but to pay. I propose that we continue with this and then return to a summary of what the movement tells us from the perspective of money's function as a medium of circulation, as a store of value, and as a means of payment, and how this then flows into the exposition that follows Chapter III.

What happens in this process is that the buyer can convert their money into a commodity without having first converted the commodity into money in the form of a promise to pay. The second metamorphosis of the commodity precedes the first. But from the seller's point of view, this alteration of the metamorphosis cycle means that their commodity is not realized as money, but as a private legal title that entitles them to a sum of money. From the buyer's perspective, the commodity has been transformed into a use-value before becoming money. Now, the question arises of what happens in circulation with the emergence of credit instruments as symbols of money. This function of money as a means of payment alters what we had seen regarding the amount of money that can circulate. Now, it is no longer enough to consider the mass of purchases or sales (which is the same) that occurred in a given period of time; rather, part of that buying and selling did not become money in circulation within the period under consideration. The flip side of this is that, during the period under consideration, money needs to circulate that doesn't correspond to the sales transactions of that same period. Therefore, what Marx will examine in his analysis is how the means of payment circulate.

What will emerge is no longer the link between purchases and sales, but rather between creditors and debtors and the payment terms. The contrast between what is expressed in the function of money as a medium of circulation and what will appear in the movement of means of payment is that, in the former, there is no link between buyers and sellers prior to the transaction. Interdependence arises during the transaction itself. In contrast, with respect to means of payment, a social interdependence appears that pre-exists the movement of the means of payment. If up to this point we have been saying that in the capitalist mode of production there is no social bond of interdependence that precedes the movement of money, what appears here is that there is indeed a pre-existing bond. The appearance of the non-existence of a bond is now taking the form of the pre-existence of a bond—not personal, but established indirectly.

Then comes the development of the circulation of means of payment, the possibility of offsetting, and how money—whether in itself or as a symbol—is gradually replaced in transactions by the functioning of means of payment as symbols of value. And the possibility then arises of eliminating the actual movement of money and replacing it with an ideal function that exists as a measure of value in a register, meaning that real money is no longer necessary to sustain the movement of commodities in circulation; rather, what emerges is this displacement of real money. When money appears in the movement of circulation, it does so as the full expression of value, of the social character of labor, as an existence autonomous from exchange value, because it no longer appears in a movement of commodity exchange, but rather in the balance of the offsetting of

credits and debts. It appears as the absolute commodity. When this movement of clearing payments develops, where money only appears separate from commercial transactions, as a pure expression of social wealth, any disturbance of the movement appears as a money crisis: as if there is not enough hard cash to replace ideal money.

Marx summarizes this by saying: when the flow of circulation through the function of money as a means of payment is thriving, there is no money other than the commodity itself; the only thing that matters is the possibility of buying and selling, and this is done with promises of payment. But when this movement is interrupted and it becomes clear that the promise of payment is not real money, but ideal money, this is reversed, and what emerges—referring to the world market, which is a leap from what we are seeing with the simple production of commodities—is that there are no commodities other than money. All that is desired is this representative of social wealth. Therefore, this crisis is the expression of the divorce between the commodity and the form of value that is money. Here, then, appears the effect I mentioned earlier regarding the quantity of money needed in circulation during a certain period of time. It is no longer enough to consider the mass of value that is bought and sold; what matters now is what happens with the payment periods, when debts must be settled, and the magnitude of those debts. Because the compensation movement operates, the full mass of value that is being closed at the times of payment also does not appear.

What follows development are the forms of money that arise from the function of money as a medium of exchange. Since what exists is a title, a piece of paper containing the promise of payment, and these are used in transactions, in clearing and settling debts, these titles begin to replace money in most commercial transactions. And what Marx will argue here, referring to gold and silver, is that they only remain in the realm of small-scale trade. Today, the corresponding forms, those arising from credit, the forms of credit-debit, flow abundantly even in small-scale trade; there is a transformation in this function of money as a medium of exchange. In Argentina, this occurs on a relatively smaller scale than elsewhere, where practically no gold or silver circulates anymore, nor even signs of value: they are promises of payment, accounting settlements, which sometimes don't take the form of a title but rather an accounting entry [90].

What Marx will point out is a new function of money as a means of payment. As it develops, it no longer functions simply within the realm of commodity circulation, but becomes the general commodity of contracts. Every payment made—"rents" (referring to personal income), taxes, etc.—becomes a payment in money as a means of payment, where one is not actually buying. He makes an observation regarding Japan at the time, referring to the trade imposed by Europe, which transforms all income in kind into income in money, and that this will

[90]Wiki: "[...] a set of accounting entries or postings made in the general ledger, which are carried out for the purpose of recording an economic event that causes a quantitative or qualitative change in the composition of a company's assets and therefore a movement in its accounts. In the double-entry bookkeeping system, each entry consists of at least two entries: one debit and one credit. These two positions make inverse movements, and affect assets or liabilities, and are based on the fact that every entry affects at least two accounts and every movement has a corresponding entry."

destroy "its marvelous agriculture, whose strict economic conditions of life will dissolve [91]." He refers to the conditions in different countries, saying: there are different general payment terms, there is a normality in the movement of all payments, and these terms also extend to other payments that are not related to the immediate circulation of commodities. And the amount of payment methods needed to support the movement of all these types of transactions or contracts in money will have a direct relationship with how long the payment term is.

The last point I want to emphasize is this: we viewed the function of money as a store of value. What Marx emphasizes is that as the function of money as a means of payment develops, a reserve fund of means of payment becomes necessary. Therefore, hoarding is gradually replaced by a certain degree of accumulation of means of payment. A buffer is needed because if the money supply expands further and contracts, it will be necessary for means of payment that were not previously available to enter into transactions, or for others that were previously in use to be withdrawn.

Javiera: I don't quite understand that part about the reserve fund.

JIC: When we first looked at hoarding, it appeared to stem from the hoarder 's "miserliness." As we continued to analyze it, we saw that it serves as a financial cushion. Now, money as a medium of circulation is being displaced by money as a means of payment. What will emerge is this: some people withdraw means of payment from circulation and hold onto them, thus forming a reserve. These reserves are not simply adjusted to immediate demand; rather, the form of hoarding (I should clarify: it's not exactly the same, because signs of value weren't hoarded, they were simply in circulation) is changing. What we see here is that the treasure is taking the form not of gold and silver, but of other people's debt securities.

Today, treasures are essentially national treasures. There are forms of hoarding where, regardless of the form the money takes, it's held as money. The national treasures of most countries, the central bank reserves, originally appeared as gold reserves. Later came the concept of gold and foreign currency reserves (which are stores of value). Today, these treasures basically consist of debt securities, promises to pay that aren't simply promises of payment as money because they include interest. So, the necessary reserve of money, since money itself practically doesn't circulate, isn't made up of that money but rather money in the form of debt securities.

Ignacio: Aren't those debt securities also held as assets?

JIC: The debt security is *denominated* in securities. That's what we need to look at now. There are also securities held in national treasuries (not all of them, but...). All of us here are essentially holding securities and debt securities.

[91]Marx, K. (1977: 98), *Capital,* Volume 1. Mexico City: FCE.

Ignacio: So, of course, the value sign would not be physically stored, but nominally.

JIC: No, no, physically there are situations where it may not be present, but at the same time, it is physically present. It's just that part of it exists as symbols of value and another part as credit instruments, which may be physically present or deposited elsewhere. But they have this form of a reserve of promises to pay, which is complicated to determine here because they are promises to pay capital *that* is lent at interest; they are not simply from commercial transactions, but from money that is functioning as capital.

c) *World money.*

We enter into the question of money as global money, which leads us to another issue we haven't addressed before regarding… One can frame it in terms of a certain ambiguity about which social unit one is looking at. First, let's look at this. In the first paragraph of Chapter I, it says: "In societies where the capitalist mode of production prevails…", which implies that there are diverse societies. It doesn't appear that the mode of production has a general unity from which specific forms are separate. Later, when the determinations of value and its form are being developed, what emerges is a general unity. There are some references in the examples to areas that appear specific. But the development has a general character where, well: this is the capitalist mode of production.

When one enters Chapter II and the relationship between commodity owners and contracts, the legal relationships, appears, it becomes clear that the general validity of contracts must be granted by someone corresponding to the figure of the state. But this can be a generic state; it's not a reference to a national state. When the function of money as a price standard appears, the state reappears, because this must have an external determination, and there's a confusion about whether it's a generic state because in concrete historical development, it appears that standards are imposed from different places that converge. When we get to the medium of circulation, the condition of its general validity appears, and the state grants it. And references appear to: in a country, the quantity of signs of value; in a given place, the quantity of money that will be needed for circulation… In this function of money as a means of payment, taxes appear, which presupposes the existence of something that is the state. But was it referring to a country or, in a generic sense, to the general movement of capital abstracted from national forms?

This pattern will be repeated throughout the development of *Capital.* Given the development of this general determination, forms will appear that, in the historical process up to this point, correspond to national forms. Or, one can look at it the other way around: it has always referred to a specific national form. This is reinforced by the fact that it appears "in societies where the capitalist mode of production prevails," and in the preface (or postface) there is a reference to England as the full expression of the development of the capitalist mode of production. For me, the way Marx develops this leads me to confront the general unity, which in the development of the capitalist mode of production is a global

unity that has national forms. Therefore, I will clash with the way it is sometimes presented in the other way, as a confluence of national spaces.

Ignacio: What is a state in its general form?

JIC: Up to this point, I don't know what a state is beyond its name. I can imagine it; there are references, but it didn't emerge from development itself. The state appears as if it were outside the movement that arises autonomously from commodity production. I have a generic understanding of the state. I made a premature reference to it being a social relation, a way of organizing the human life process, but so far it hasn't emerged from the movement of the capitalist mode of production. It "emerges" formally when I say: someone is needed to enforce the signs of value, to give general validity to contracts… It doesn't appear with a "real" determination. It's premature to try to answer what it is.

Let's turn, then, to the question of world money. Up to this point, we've had all these determinations corresponding to fragments within the general unity of the metabolic process. Signs of value have national scope (taxes, etc.). What will Marx propose regarding this? He didn't say, "I'm going to start with an internal sphere of circulation": this sphere emerged as we examined the forms and functions of money. And now what he's going to say is that we're moving beyond internal spheres of circulation, and there money loses all its local forms: price standards, currency, signs of value. It takes the immediate form of precious metals: bars, ingots of gold (and silver) that don't have monetary names but are expressed in quantities of gold. Commodities express their value with a universal character, and in that universality, the form their value takes is the form of world money. It is in the world market where money will function in the form of being a commodity; it is a body, a certain amount of use value, in which that natural form is at the same time the full expression of abstract labor.

Marx summarizes this by making an observation (which I don't like): "(...) its existence conforms entirely to its concept." One can read this as referring to what Marx says in the afterword to the second German edition, that he had flirted with Hegel's style of expression and cites the chapter on the theory of value as an example. Or, it can be seen here as "the content and the form of existence," that the content is immediately expressed in the form, that the form is immediately the content in its purity. It can also be read as meaning that there is a form that is the very expression of the content. This isn't the only time Marx uses this; he uses it elsewhere as well. When one reproduces the concrete through thought, one does so as a process of recognition from a social point of view. One is guided in the process of confronting not the text, but money in its real movement, because one is questioning one's own subjectivity. In this process of recognition, one subjects this development to critique and says: I can approach it this way; it's a problem of existence that conforms to its concept, or it's the expression of content in its simplest form, which is the one operating as the concrete form. And to me, this expression seems unclear, erroneous, and lends itself to idealist interpretations: this is a problem of concepts. This clashes with Marx's assertion that he doesn't engage in starting from, intertwining, or discussing concepts (it's in the *Glosses on Wagner,* where he synthesizes the method).

Javiera: Doesn't it say "concept" because it has already made progress in determining what money is?

JIC: What would be the concept of "money"? When I confront it, I try to appropriate it, to reproduce that expression myself, and I ask: what is the concept? Why would I call it a "concept" if this term is something conceived in thought, not the materiality of existence? That expression means nothing to me. I can read it and say, "Perhaps it meant *this.*" It doesn't help me move forward because I don't know what the concept of money is. I can recognize what the deployment of money is; it's the directly social form in which abstract labor is expressed, but why would I call that the "concept of money"? I can't reproduce that way of explaining it.

Aristides: At some point a kind of synthesis appears, as a point of arrival after having unfolded each of the determinations [...].

JIC: Here's the summary. Why call it "form fits concept" (especially with these connotations)? When you say "I have the concept of this," it's taking a concrete form and attributing determinations to it as if they were its generic determinations, unlike a name. When I say the name, what I'm stating is an abstract universal, but if I want to account for that abstract universal, the abstract universal isn't useful... It's the name. In the first chapter, the development begins and it says "the capitalist mode of production": it's a name, an external image of something that is called that. The same thing happens with the commodity: I don't know what it is; it's what is commonly, universally, called a commodity. When do I begin to transcend that abstract universal?

In the analysis, I begin to question the necessity inherent in that object. But I don't define what the commodity is when I'm analyzing it; what I do is "kill" it. I define it when I begin to unfold the simplest specific determination of the commodity (the product of the SNALdPaI) and what I begin to look at is how that product moves, and that's where I begin the process of defining what a commodity is. And as I develop this understanding, I advance and find that the commodity, when I unfold its essence, takes the form of money; money takes these forms, and I continue to unfold these determinations. On the other hand, if I have a concept... All political economy starts from concepts. Ricardo called his book *Principles of Political Economy,* and when one speaks of "principles," it's because one is stating the concepts from which one starts, and there's no need to establish them, to justify them.

In logical representation, it works like this: logical principles are not established or demonstrated, but rather stated: "This is so," and from these concepts, the construction of other concepts follows. What does logic do? Since its principle states that no concrete existence can contain a necessity that is not immediately expressed identically to itself in form, it implies that the only manifestation of necessity, of reason, is repetition. Therefore, the concept is constructed as a starting point by looking at what is repeated and separating it from what is not. And I have the concept, which is no longer just a name. In the case of the concept of value, in Ricardo it is the concept of labor as the value of commodities. In

neoclassical economics, it is utility and scarcity as the value of commodities. And we don't start by saying that we are going to look at the 'theory of value' (I have my objections to that; Marx uses it) and begin with the idea that value is SNALdPaI. We start by asking about the necessity of commodities, not about what is repeated. We started by looking at two items, and then we said: it's enough for me to look at one; the question is what it might have in common with the other, not what is repeated, but how it's possible that it has a common attribute with the other. And we did the entire value analysis by looking at one item.

I have a dilemma about whether or not to enter into a discussion, and a type of discussion that doesn't fit my "concept" of discussion. Because if someone tells me we're going to discuss the "subjective/objective theory of value," my response is that I don't know what those theories are. If I have to answer what value is, then I start with the simplest determination: what is human life? It's a metabolic process carried out through labor. What is labor? It's this productive expenditure of the body performed in a specific, useful form, an individual activity with a social character… Until I arrive at… what is the unit of each cycle of the human metabolic process? Assigning to each member of society what specific useful work they will do for others and, consequently, what portion of the product of others' labor they will consume to reproduce themselves as an individual organ of that social metabolic process. What is this from the point of view of each individual organ? How does each individual organ know that it is part of the general unity, and therefore what specific useful work it will do? I look at societies where bonds of personal dependence prevail, and it seems to me that this is a condition one possesses as a person. I look at the capitalist mode of production and say: it is a society of free individuals (there are no bonds of personal dependence). So how is unity established? It is established in the simplest determination: each member of society carries within themselves a share of society's total labor power to work for others, unassigned in any specific, predetermined form, and each person allocates it privately and independently. Once production is complete, it is necessary to recognize whether this labor power was applied in a socially useful way or not. Since there are no bonds of personal dependence, the only way to establish this recognition is to represent that share of labor power/abstract labor: if it is applied in a concrete way that is socially useful, it is represented as value: this is value.

I'm not arguing about subjective or objective theory, but rather: this is the unfolding of what value is. Then I can synthesize it by saying it's the SNALdPaI, but I can't start by stating it because then I'd mutilate its foundations and turn it into a concept. […] This is why I criticize the use of the term "concept." When we look at Marxist political economy, everyone argues: this is a problem of concepts, what we have to do is "construct" a concept of abstract labor… And Marx mocks the German professors who think everything is about discussing concepts, dividing them… And he has this reference to Wagner. It's fashionable in the Austrian School. In Menger, its founder, there's the problem of whether the concept of value can be separated from that of use-value, whether when you arrive at use-value you have the concept of value… That's why I think it's essential to put these arguments up for discussion. I could have omitted them and moved on, but since these are problems that pertain to the method, the form of production of the form of consciousness…

This is also how *I* see it. Marx arrived at his development through a process of developing his consciousness, which in its form is very different from the development of our general consciousness, of all of us here. We come with a background in logical representation. I had a very strictly formal education: I studied logic in high school, at university… Now I think it's much more diluted, which makes it more difficult to grapple with formal logic because one lacks the foundation. Marx doesn't come from that world. One grapples with oneself, with questions that for Marx appear answered much earlier because he was formed earlier in a different way of thinking. And also with all the ideological development that logic has undergone, from being the complete form of objective knowledge that was going to transform the whole world, to being a contradiction in terms, proof that objective knowledge is impossible (this is more recent). So, anything that leads one to start looking at this as a construction of concepts and so on, I object to.

We still need to finish with the issue of global money. Marx will analyze how transactions are conducted in gold and silver. Where does this money come from? From the countries where it is produced, and then it enters the global market; that's how global money enters circulation. Countries need to have a reserve that allows them to operate in the global market, and this reserve must take the form of gold and silver because that's what circulates there. When you look at the money in the global market, it doesn't have either of these forms; gold and silver are not circulating.

It's not even today: in 1825, when the Argentine state [92]took on its first external public debt, it wasn't denominated in gold, but in pounds (which had a certain gold content): they were the name of a national currency. When that arrived in Argentina (beyond the specific vicissitudes), part of it didn't arrive in pounds, but in promises of payment from English and Brazilian merchants that the Argentine state was going to honor. When you look at it further, what you find is that everything you saw regarding national standards and national conditions is completely reversed in the global market. And in some internal spheres of circulation in particular (Argentina being one), it's reversed: the currency that is legal tender isn't accepted in certain transactions, and a currency from another nation without legal tender is required as a condition for carrying out those transactions. So we're faced with this problem.

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[92]Founded on July 9, 1816

§2. THE TRANSFORMATION OF MONEY INTO CAPITAL

Chapter IV. Transformation of Money into Capital

1. The general formula for capital.

We were looking at the general form that the cyclical movement of capital takes. We had seen [93]that the purpose for which this movement is set in motion does not include the production of use values for the capitalist, and that consequently the capitalist is not the subject of this movement, but rather capital itself. What we have before us is a social relation, a way of organizing the life process of society, which has an objectified existence, and which is set in motion with the immediate purpose of multiplying itself. Marx will summarize this by saying that capital acts as the concrete subject of the process of social metabolism that it governs.

Whereas up until now we had people alienated by the product of their labor, by their commodity, here we find a social relation that began with the production of use values for human life, mediated by the production of value. Then we saw that the aim was the production of the general social relation, to remove it from the place where that relation is exercised [hoarding]. Later, with money as a means of payment, we saw that the role of the commodity is that it is produced not to possess a use value, but rather to access the general social relation as a means of payment, but now placed in circulation, the place where that social relation is exercised. Now what we have is the opening of the movement of this objectified social relation, which opens and closes its cycle in order to valorize itself, and consequently acts as the immediate subject of this process of organizing human life.

We still need to examine what's in section 1 of Chapter IV. In the metamorphosis that capital undergoes, we find that, since it is a value that valorizes itself, there is no qualitative difference between the starting point and the end point except a quantitative one: the necessary expression of this determination of capital is money, the existence of value in its pure form as exchange value. But at the same time, we see that since the money cycle begins and ends with money, and has its expression as a value that valorizes itself without qualitative difference in the movement of money, D cannot become capital unless it passes through the form M: it was M-C-D'. So, what we can observe at this point (Marx doesn't explicitly state this yet) is that if there is any quality inherent to capital outside of its determination as a quantitative difference, that quality must be sought where it takes the form of commodities. In the movement of money itself, one cannot find

[93] **Editor's note:** The *seemingly* abrupt start, referencing things that didn't appear in session 25 or earlier (capital as a subject, etc.), *could* be due to the fact that the session planned for October 20, 2022, did take place—but either wasn't recorded, or if it was, wasn't uploaded to Drive—or that the content was discussed in this session before recording began, or was discussed in the workshop's WhatsApp group. Or none of the above.

the quality by which capital is capable of valorizing itself. You can only go and find it in the form of commodities that money necessarily takes in order to function as capital.

Having developed all this, Marx arrives at a synthesis of the unfolding of these determinations and defines capital by saying: it appears to maintain a private relationship with itself, as a value that valorizes itself, and consequently, this value capable of multiplying itself is capital. The general expression of capital, how it appears in circulation, is what we initially saw as M-C-D'. And there we have this unfolding.

There was discussion last time about this condition of a social relationship that is the subject of its own movement. This means: a way of organizing social life that has an objectified existence that sets in motion the process of social metabolism with the immediate aim of multiplying itself, that is, of multiplying its capacity to set in motion the process of social metabolism (up to this point, without further specificity). It is an existence that presents itself as an automatic way of organizing human life whose immediate aim is not the satisfaction of the human life process but the multiplication of the capacity to develop that process of human social metabolism.

Javiera: Can we delve a little into this "automatic" thing?

JIC: I use the term "automatic" in this sense. Here, people act as personifications. We enter into this organization of the social metabolism process as consciousnesses and wills that are bearers of the movement of the social relation (in this case, capital). What we find is this: we enter into it to produce our lives, but the production of our lives is not the immediate object of the movement of the social relation. Rather, we multiply the capacity that this social relation has to set in motion the process of social metabolism as something that cannot be controlled, because the consciousness and will that personify it are not external to this movement but rather bearers of it. It is a concrete form in which this movement is realized. In this sense, the term "autonomous movement" appears, with an automatic character with respect to human subjectivity.

Ignacio: With this definition, doesn't it end up undermining all those intriguing definitions, such as "monopolistic actions of capital" and all that in the determination of regional economies, for example, and their relationship with international capital?

JIC: I wouldn't go for such a concrete form because it implies a series of developments that we haven't yet considered. There isn't a will or consciousness here that is separate from, external to, this social relationship. What you were suggesting sounds to me like something one might classify as a conspiracy theory. There isn't a conspiracy of subjects who aren't part of this social relationship. What we know so far about this social relationship is that all the determinations we've outlined regarding the relationships between personifications are antagonistic. Within this antagonism, the possibility of conspiracy doesn't yet appear because it would imply conspiring between antagonists. So far, no differences appear

between the possessors of commodities. It wouldn't be possible to conspire with others because one has antagonistic relationships with them. But if one of the possible ways in which the antagonistic relationship develops is through cooperation to compete with others who are outside the cooperative relationship, and not if the cooperative relationship replaces the antagonistic relationship (because it is the universal relationship proper to personifications), then conspiracy would be possible.

One has to ask about the power of this conspiracy in determining these personifications as concrete forms that embody the general social relation. What we already observed in commodity producers is that the relation indirectly established through commodities is what determines consciousness as personifications. If there were any possibility of a social relation external to this one that could be imposed upon it, we would have found it before the commodity relation, but what we find is that this is the simplest form of the general social relation in the capitalist mode of production, and consequently, all concrete forms of relations between personifications are concrete forms of this general social relation, however antagonistic they may appear with respect to that same social relation. Otherwise, we would have had to find a more general social relation of which this would be a form.

We rarely discuss personal relationships, but it's clear they persist within the capitalist mode of production. However, upon closer examination, these relationships of personal dependence become concrete forms of the general social relationship. If, in historical development, this objectified social relationship arises from a world of relationships of personal dependence, as this form progresses and becomes the general social form, the relationships of personal dependence are reversed. From the outset, what one has is the capitalist mode of production, which, when one begins to examine it, doesn't immediately reveal itself... When we explained why socially necessary abstract labor, when it materializes privately and independently in its product, is represented as its value and takes the social form of a commodity, we stated it by saying: in contrast to societies where there are general bonds of dependency of any kind that precede the implementation of social labor, in the capitalist mode of production, where social labor is done privately, at the moment when commodity producers have to set in motion each cycle of the social metabolism process, there is no social bond between them other than the fact that each person carries within them a share of society's total labor power, not assigned to a specific, useful form. Each person privately and independently assigns what concrete form they will give to their share of labor power, and consequently, production is set in motion... well, and so on.

When we begin to examine capital in this chapter, what we already see is that this isn't actually the case in the capitalist mode of production: if at the beginning we said that there is no social relation that precedes the commencement of social labor, now we see that there is an objectified social relation that precedes it, that exists beforehand. The concrete form does not invalidate the abstract form. The dialectical method states: I can only arrive at this concrete form because I started from that abstract form, and now I see that if I had stopped at the abstract form of the first chapter, I would have been mistaken, because I am the bearer of a social

relation as a personification that precedes the beginning of the process of social metabolism.

Basically, the arguments that there are free wills, separate from, external to the capitalist mode of production, when what we see is that free consciousness is proper to the possessor of commodities and commodities are the general form that the product of labor takes in the capitalist mode of production, extrapolate what is proper to the producers of commodities to individuals who are placed outside, in an absolute exteriority with respect to the determination of the consciousness and the will proper to free individuals.

[Responding to the chat] No, legal and political forms are not bonds of personal dependence. We saw that the contract for the sale of commodities is a legal relationship. I'll leave political forms aside because we'll look at them later where they appear fully. One enters into these relationships as a person: the contract can only be signed by a free individual, and one can only be a free individual if one can buy and sell. The relationships of personal dependence in the capitalist mode of production are *basically* (there may be others) family relationships and friendship relationships. In these, there are free individuals who reciprocally relinquish their status as free individuals. Relationships of slavery, serfdom, even communal ownership, are not recognized as valid social bonds within the capitalist mode of production. We will discuss other forms of personal dependence in more detail later.

Gabriel: People commonly refer to this as "quantitative," but the term doesn't quite make sense to me because I understand that it's not just the mere quantity of something in the abstract, and I don't know if you're referring to "quantitative determination" as an expression of qualitative determination, or if you're referring to something else.

JIC: Marx simply says that the only thing that gives meaning to this movement is a quantitative difference. There is no qualitative difference, or the only one that exists is a quantitative difference, and consequently there is no other difference of quality: it is a quantity of money, it is more money. The quality of capital is having a quantitative difference, but it is not the quality that explains the quantitative difference. In Marx, it appears directly that there is no qualitative difference between the starting point and the point of arrival: it is money. I look at it that way, emphasizing that quantitative determination is a form of quality, but I don't dwell too much on analyzing the terms that come to mind; I feel bad that I'm saying something that isn't exactly in the text, but it seems more expressive to me.

Tomás: We've talked about how several economic theories are based on this social contract, according to which we were all free, but somehow lost that freedom… Theories of sovereignty. But even this might also be related to the fact that there are sick people, the mentally ill… who are somehow losing their will and their consciousness because they don't understand the freedom of being alienated by the commodity, they aren't experiencing it, and ultimately they have a different kind of relationship, seeking that direct personal connection. It seems that there

are people who haven't grasped this way of relating and they suffer. The point is that the universal relationship is antagonistic, and they don't see that.

JIC: I'm not sure I followed you correctly. We all suffer, whether or not we know our conscience is free, because we are alienated. We face the product of our own conscious and voluntary actions as something foreign and dominant, something that dictates whether we acted socially in an appropriate manner or not. And as we continue to progress, we will reach a point where it not only dictates that, but also whether we can even act, regardless of whether it is appropriately or not, whether we can even participate in the process of social production.

I couldn't quite grasp everything you wanted to bring up. We touched on psychoanalytic theory a few meetings ago, and how it naturalizes suffering, guilt, and anguish—the concrete manifestations of a consciousness that must constantly bear the contradiction of acting as an absolutely free being, devoid of any determination that doesn't arise from within itself, while simultaneously being an individual organ in a process that carries a whole series of determinations that appear to it as if they were external. We also looked at it in relation to the commodity producer: this is an individual who must view himself as if he were absolutely independent, and from that independence, he must derive his absolute social interdependence because his individual consumption depends on the consumption of others.

Anxiety is the expression of this constant contradiction. If one is acting as if absolutely free, one is failing in what appears to be one's external social interdependence, and if one believes one must be absolutely socially interdependent, one is failing because one is not acting as a free individual. It is the form of free consciousness because it is alienated. And the fact of knowing oneself to be alienated does not negate the fact that one carries this contradiction: one is constantly enacting it, only instead of viewing it as a misfortune that befell me, or something done to me by another individual, etc., I recognize myself in my determinations as a social subject. And consequently, I can, while still acting in this way, apply my human energy toward my own ends *as a historical subject.* As an *immediate subject,* I will not cease to experience the consequences of carrying a free consciousness because it is alienated. But one can say: this is a historical form of consciousness, what do I do as a historical subject in the face of it? Why can I carry the need to overcome it?

Tomás: This is the big question, the one I asked you in the first class in a way: why am I confronting capital and how can I use *Capital,* and not read it.

JIC: What we've seen so far is that we are bearers of that social relationship. And the answer, linked to what I was saying to Ignacio earlier, is: precisely because one is a bearer of that social relationship, if that relationship contains potentialities that lead to its own overcoming (something that hasn't appeared so far), the only possibility of overcoming them is because one is a bearer of that social relationship; if one were outside of it, one couldn't act upon it. And that's the other aspect that you were raising: the question of what I do and why I can do it, where the power (if I have it) to act as a historical subject comes from.

2. Contradictions of the general formula.

Having arrived at the definition of capital and its generic form in circulation, Marx at this point will raise the “contradictions” that appear in this general formula. I'll put it externally, but... He could have started by asking: But where did the D' come from? But he will unfold his argument in this way. And what he will begin to state will appear as if it were a sudden assertion, a clash with what he had been developing. He will say: this form that money takes as capital contradicts all the laws we have established regarding commodities, value, money, and circulation.

When one began, what one started to observe in contrast to the circulation of commodities is that there was an inverted form of that movement. While in the movement of commodities there were two processes of metamorphosis (C-M-C), here in the metamorphosis of capital it is M-C-D'; it is not a movement in which one starts with one commodity and arrives at another, qualitatively different commodity. This difference in the order in which buying and selling occur is not enough: it is necessary to explain how this difference gives a different meaning to the movement. If in the metamorphosis of commodities all the movement did not imply a change in the magnitude of value, now it appears that in the metamorphosis of money as capital there is indeed a change in the magnitude of value. But what the law of circulation states is that in circulation equivalents are exchanged; no more value can arise in circulation than what entered it. Therefore, Marx says that this contradicts the laws of commodity exchange.

And he could go straight to the content, but he's going to present it as if what he's going to do is... not a demonstration, but a progression by absurdity until reaching a point where only one path remains. This also sometimes affects how the development is approached. Precisely in Rubin, when he describes Marx's method, this appears as if this were the analysis itself, as if it weren't about questioning the necessity inherent in money that functions as capital, that allows it to multiply and increase in value, but rather about discarding until only what is repeated remains. And here it's a form of exposition, not the development of the necessity.

What Marx is proposing is this: let's start from what we said didn't exist, which is the exchange of non-equivalents. What would happen if this occurred so that some could increase the value of their money? What we have here are commodity owners. And—here we get to the question of power relations—the power that some can exert over others can only be exercised through their commodities; it is the power of their commodities. They all produce something that is not a use-value for themselves, and they need to arrive at a use-value for themselves. Consequently, the only thing that remains for these commodity owners is that, if you look at them in one situation, they are sellers (commodity owners), and on the other side of the relationship, they are buyers (money owners). To assume that surplus value arises from buyers paying more for the commodity than its value implies that these commodity owners, insofar as they are sellers, have the privilege of selling at high prices. But one immediately looks at them in their dual capacity as

buyers, and what happens is that, as buyers of commodities (which they all are), what each of them gains by selling at a higher price is what another loses by buying at a higher price. Consequently, the possibility of capital appreciation cannot be explained by the fact that it was bought cheaply (or at its value) and sold dearly (above its value). If everyone has the privilege of selling at a high price, everyone has the misfortune of buying at a high price.

And he's going to make an observation, separate from what he's already been discussing, which refers to why there's an awareness in society that some can sell at high prices to increase their capital. This awareness only exists if someone can buy without needing to sell. Consequently, they are in a position to consume without needing to produce. For the moment, this situation is inexplicable, but the reason there are those in society who can consume without producing is the existence of a class that can consume, buy, without needing to bring the product of their labor into the social sphere. But it's possible that some are more astute [94], possessing, as a personal, individual attribute, the ability to sell at a higher price than they pay for it. And there are those who are less intelligent who, far from obtaining surplus value, will lose a portion of the value. And no matter how much one tries to explain a general movement—which is: every possessor of money who converts it [95]into capital obtains surplus value—surplus value cannot be explained by the simple movement of circulation. If equivalents are exchanged there is no surplus value, and if equivalents are not exchanged there can be no movement that results in more value than at the beginning.

When we examine what happens when there is a surplus or shortage of a commodity, analyzing deviations from the norm, Marx says: value substance is added to it, and value substance escapes from it. But we saw that this added value substance comes from elsewhere, from the commodity itself. If someone sold it above its value, someone else had to contribute more socially necessary abstract labor to buy it than what corresponded to the norm, and consequently, the one who sold above the value appropriated the product of more socially necessary abstract labor. This wasn't generated in circulation; it's what the one who overpaid lost. Here we have this already expressed in the movement of capital: new value substance can never be generated in circulation; there is no room for anything other than what arose in production.

He will then develop a contrasting analysis of the historical forms of commercial capital and interest-bearing capital with industrial capital. His argument will be that, to understand the basic form of capital in circulation, we cannot simply examine those two forms; instead, we must look at the modern form of capital, which he will then elaborate on.

If it doesn't arise from circulation, it must arise from somewhere else, something invisible from the perspective of the overall movement. Because the unity of commodity movement is visible in circulation. And all one can see there is what has been seen up to this point. Consequently, we must look for its determination outside of circulation, where the commodity owners' relationship is

[94]Astute, quick-witted.
[95]The recording cuts off.

with their own commodities, those that belong to them. As for the question of value, we have already seen that the commodity owner, through their labor, can generate value, but not a value that multiplies, that generates new value. Because for there to be more value, there must be more labor; they must work more. A quantity of value cannot be produced and then multiplied without the individual continuing to work.

Marx will summarize this by stating that capital cannot arise from circulation, nor in the absence of circulation, but rather in both simultaneously. The unity of capital's movement must be both within and outside of circulation in order to explain the source of its valorization. If we look for it in circulation, the movement of capital (M-C) is a movement of the transformation of money into a commodity, but what are these commodities that allow it to function as capital? [...] [96]Capital must buy the commodities it is going to buy for their value (in circulation they are exchanged for equivalents). And at the end of this process, when it sells them, it must do so for their value and yet extract more value than it invested. This is what must be explained: how it is possible for money to become capital by operating both within and outside of circulation. Then comes the third point, that of the buying and selling of labor power.

[Responding to Aristides] Marx, when he begins, says that the generalized circulation of commodities is a condition for the emergence of the movement of money as capital in the concrete circumstances we are examining. What I proposed is this: there is a clear reference there to a historical development. What I proposed is this: some people, arguing in Marx's name, present it this way: the simple production of commodities (Chapters I-III) is an ideal construct for later moving on to concrete forms; and others say: there is a period in the development of the modes of production of society where the general organization of social production takes the form of simple commodity production. Then they argue, and those who say the first point blame Engels for saying the second, since he viewed it as a historical development. But in the drafts of Volume 3, Marx explicitly states that the capitalist mode of production arises from simple commodity production.

Furthermore, in Chapter I he says: the development of the value-form is the development of the commodity-form. And the development of the commodity-form is capital, so what he's looking at is a process of historical development. And when we get to the chapter on primitive accumulation, at a certain point in the chapter Marx says: the key to the historical character of the capitalist mode of production is to be found in what happened to the commodity producer in feudal society. But then, in his elaboration, he presents the concrete history of the capitalist mode of production, and therefore the basis for its overcoming. Then discussions arise among historians who say: no, because in such and such a place there was no independent commodity production and capital appeared, and another replies no, because... I ask myself what this confronts me with.

Indeed, Marx develops an argument that begins by stating: this is the commodity *of the capitalist mode of production.* And as I already mentioned,

[96]The recording cuts off.

history appears here as a result, not as a process that must be explained in order to reveal the determinations of the commodity, except in Chapter II where a problem arises regarding this. When I read it, what matters to me in this development is not whether this has been the historical process or not: it is that this answers my question about what the commodity is today, and therefore, what I am today. If the author, in addition to showing this, is also establishing that this is historical development, then the content doesn't answer the questions I'm asking. And when we reach primitive accumulation, for me there is a leap in development. Marx would know why he did it. But I shouldn't ask myself why he jumped, but rather: if I see that here we go from this determination to this other one, and the mediating factors are absent, then I have to explain the determinations.

Regarding the idea that the first section of *Capital* is an ideal construct… No: that is the simplest determination of the actual commodity. When I look at it, I do so primarily in the purity of its condition as a product of social labor performed privately and independently. And the purest form of social labor performed privately and independently is conditioned (not conditioned, because it's the other way around, but it doesn't matter) by private ownership of the means of production. That is the simplest determination of this commodity I'm looking at today. Then, as I unfold it, I see that what was the simplest thing takes on concrete, developed forms that are the opposite. Looking at Capital, we already see that: the simplest form is… In circulation, surplus value appears, emerging, but there can't be an emergence of surplus value, so we have to go and find its determining factor. Taking a further step, what one will find is that the condition for producing commodities is the complete opposite of what one saw at the beginning: not being the private owner of the means of production. And I was able to discover this because I started from the simplest determination, not by looking at the historical development of the capitalist mode of production or comparing it with other modes of production, but by deploying the powers of the simplest determination.

What we're going to see (and I don't want to give it away) is what happens to the *simple* circulation of commodities as we examine the movement of capital. And that will extend into Volumes 2 and 3. There will be a whole unfolding of what happens to the simple circulation of commodities, and we'll see in what form it subsists universally, but we still have a long way to go before that. And when Marx looks at the development within the forms that capital takes to move, he also sees it as a historical development *within* capitalism, something that… I also have doubts about. Very broadly speaking, it's clear that one can say that this development exists. But there are forms that Marx presents as the starting point for others, and in reality, the fullness of that form emerged when what it was supposed to generate actually did generate.

And when we look now in this chapter at what we need to consider regarding labor power as a commodity, it will implicitly assume: this individual, up to this point, was an independent producer of commodities and is now a seller of labor power. Initially, it 's as if their work were the same until a difference appears, until this image emerges that this worker is a former producer of commodities. What's useful to me, what gives me a tool, is to view development as: this is today, everything I'm looking at are the simplest determinations of today, but even these

aren't enough to answer the initial question of what to do, because I have to operate on concrete forms that go beyond these simpler forms.

3. Buying and selling of labor power.

Let's continue with the buying and selling of labor power. Here we see what I mentioned earlier: that capital has a generic form, which is D-D', but it has to pass through the commodity form in circulation. But if its valorization cannot be explained in circulation, it is in the materiality of that commodity that one must look for its determination. What Marx will advance is precisely that we will not find it in money. Where does the possibility of multiplying the value of capital matter, the use-value of this commodity that capital buys? If we refer to the use-value of the commodity, it's about what happens to the consumption of that commodity that capital appropriates. For the commodity to have the production of value as its use-value, there has to be something that is a product of human labor (otherwise, it cannot be a commodity), and at the same time, it must be a source of human labor (of value creation). This commodity has to be available to capital in circulation. So what he's going to put into this is: there has to be this commodity in circulation, which is the capacity to work or labor power. And Marx is going to analyze what that is.

The question then arises again regarding the use-value and the materiality of the use of this commodity, which is labor power—the physical and spiritual attributes that reside in the body, in the subjectivity of a human being, and which this human being puts into action to produce use-values. But materiality alone is not enough: for this use-value to exist as a commodity, it must possess the attributes inherent to commodities: being a bearer of value, being the private property of its possessor. For labor power to be a commodity, it cannot be subject to bonds of personal dependence: the only social relationship it can establish is this indirect relationship in circulation through the exchange of commodities. And in order to be sold as a commodity, this labor power must belong to its possessor, a free individual, who relates to their buyer as legally equal persons.

But for a commodity to be sold and its sale repeated, it is necessary that its owner be able to reproduce it as a commodity. The first condition for this is that they do not sell their entire labor-power at once (then they could not repeat the transaction), but rather sell it for a period of time. Nor can they become a slave. They must behave with respect to their commodity, labor-power, by selling it to the buyer for a specific period without relinquishing ownership of that labor-power, even though what they are selling is the use-value of that labor-power. The second condition is: if they are a free individual, the private owner of their labor-power, why do they sell it instead of producing commodities on their own? They are compelled to sell it because they lack the means of production and need the means of subsistence to acquire labor-power.

Marx says: it is a universal condition of human beings to consume before they can produce and to consume while they produce. To produce all these conditions, the possessor of labor power would have to have means of production to produce

and means of subsistence to be able to produce themselves. And Marx will put it ironically, saying: "To convert money into *capital,* the possessor of money must, therefore, find himself in the *market,* among the commodities, with the free worker […]" [97]. And what he is saying is that this individual is free in a twofold sense: he is not subject to anyone's personal control, he is the private owner of his own labor power, but he has no other commodity to sell other than his labor power. Consequently, he is "free" from the means he needs to put his labor power into motion on his own. Something which—and I tend to put it this way as a summary—…separates him from his means of production, but also from his means of subsistence; these confront him as something alien, something that does not belong to him. And the importance of this is something that will reappear in detail later.

There is a part of the commodity market that is the labor market. The money holder, the capitalist, doesn't care why they find this commodity in circulation. What matters to them is that this commodity is in circulation. Marx will draw a figure of speech there, saying: we are not interested in that either. What does happen is that what the money holder finds is the starting point from which we will move forward. What Marx does observe is that, in order to work, the working individual needs to have means of production and means of subsistence to be able to put their labor power into action. And that in nature, there are not, on the one hand, money holders and, on the other, labor power holders. Therefore, this existence that we are facing is not a product of a natural nature. Nor is it common to all forms of society. There is a historical process that has progressed in the transformation and destruction of older forms of social organization and production, and that has led to this present.

He will make an observation that this condition has emerged in the process of historical development. We already consider this condition as a concrete form of commodity production; therefore, it occurs in a society where the majority of the products of social labor take the form of commodities, that is, in the capitalist mode of production. But the analysis of this development has nothing to do with the analysis of the commodity. We don't look at it historically: we look at this history as a result. Capital will appear in this development where, on the one hand, the means of production and the means of subsistence belong to the capitalist, and on the other hand, there is this doubly free worker whom we will continue to analyze. The question is what this is that one finds in one's own present, not the historical development. We don't do a historical analysis; it doesn't concern us. This subject is here, and we have to answer what it is. It is neither the product of the development of nature nor the only form that has existed for human subjectivity, because this contrasts with the first condition of the possibility of the development of human work and historical knowledge, but the answer is not in historical development: the answer of historical development is in looking at this present, which explains why historical development has these forms.

I find it somewhat unsettling that human anatomy is the key to understanding monkey anatomy, and not the other way around. Feudal society cannot explain the

[97]Marx, K. (1977: 122), *Capital,* Volume 1. Mexico City: FCE.

capitalist mode of production, but the capitalist mode of production is key to understanding the feudal mode of production. In fact, the development of the capitalist mode of production comes first, followed by what is characteristic of feudal society. This is very pronounced in Volume 3. Marx develops (I'll clarify this, but without going into detail) the forms of merchant capital and interest-bearing capital, whose historical form is usurious capital. First, he develops the characteristics of merchant capital today, and then he explains what merchant capital was historically, which was the opposite of what it is today. He then elaborates on interest-bearing capital, and finally, he reveals its historical origins. And when he examines land rent, he does the same: first, he separates what is not part of the capitalist development of land, and then, at the end, he presents a very long historical account of its origins.

Only after the determinations of capital have been fully explored can one answer questions regarding the determinations it exhibited in its historical development, because when it was born it was the opposite of what it is today. So, if I don't know what it is today, I can hardly unfold historical development beyond an external description of the transformations. But when I know what capital is today, I can take the historical forms and explain why they were exhausted, why these forms were superseded by the more "developed" form, which is the starting point of the explanation. In the end, what emerges is why this was generated, but it can only be explained by the fullness of the potentialities of those previous forms, which until then were not manifest. In this sense, it is the question of why we are always looking at the present and not at the historical genesis of the present. It is the unity of the dialectical method. It causes me some concern: one has to operate only on things that exist as potentialities and that one knows as potentialities, and the problem is discovering where historical development is heading by looking at "the anatomy of the monkey" […] [98].

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[98]I skip over the last questions, about logical representation and how it owes its being the universal form of objective consciousness in the capitalist mode of production to its own limitations.

[II]

Alejo: I'm confused. You mentioned that the purpose of social relations, as capital, is no longer to produce use values for human life, but rather to further increase the capacity of these social relations to set in motion the process of human social metabolism. My confusion stems from wondering if the process of social metabolism isn't related to the reproduction of human life, and if the accumulation of capital is to employ that capacity to set in motion the process of human social metabolism, or if it isn't simultaneously oriented toward the reproduction of human life.

JIC: […] The simplest content is that this is a production of use values like any other. Its peculiarity lies in the fact that, given its content is the production of use values for human beings, the immediate objective is not the production of use values for human beings. This is the contradiction inherent in the way we organize our life process: we have to produce use values to reproduce ourselves as human beings, but when we start working, we do so not with the production of these use values as the immediate condition, as the axis of production, but rather we do so guided by the movement of capital, where the immediate goal is the multiplication of capital. This is a contradiction: it is human life in the concrete form of the negation of human life. The "essential" subject is always the human being, but the ways in which it organizes its life process mean that the immediate goal is not the reproduction of that human being. As we continue, we will see to what extent this is not the case.

Javiera: I was rereading section 2, "Contradictions of the General Formula," and I was left wondering… Because it says that "the form of circulation, in which money emerges from the chrysalis transformed into capital, contradicts all the laws previously set forth concerning the nature of commodities, value, money, and circulation itself." I was wondering if by "contradicts" it means that, in the previous discussion, we were assuming that what enters into exchange are equivalent commodities. Is that what it means, or is there something more to it?

JIC: No, no, it's this: labor is what generates value, and in circulation, more value emerges. Money is a mass of value, and here, money is a value that increases in value. In circulation, equivalents are exchanged, and from circulation, a difference in value emerges. That's why it's a movement that appears to contradict what one has been seeing; it does the complete opposite of what one knew. It would seem that it's not like that at all. Money acts as a general equivalent because it is a commodity and therefore has value, and now it turns out that it seems to have the capacity to multiply its value simply through the movement of circulation.

I don't know why Marx used it or liked to use it, but I think this form of exposition is linked to what I said last time, that often the exposition takes the form of the unity of the dialectical method, which begins again with an immediate observation, "this is how it presents itself," and then comes the analysis, where what has been known before is already recognized, and only then does the unfolding begin. And with that form of exposition... he uses it in this figure because he looks at the immediate thing: money as capital in circulation. The analysis

begins, but at that point he says: but this is the opposite of what we have been seeing up to now.

And there are those who see that in Marx's development, when he says that what we knew contradicts all of this, they ask: is he acknowledging that the development he had been making was wrong? In logical representation, if the concrete form contradicts the simpler form, then the logical conclusion is: the simpler form is either false, trivial, or redundant and played no role; the concrete form did. And here, the content that Marx puts into play is quite the opposite. In the third section of the chapter, he says: for there to be more value, it must spring from labor, and for labor to be set in motion, if the movement is Mf-M', then there must be a commodity whose use-value is to produce more value than it costs: therefore, labor-power must exist as a commodity. What are the conditions?... This chapter is a whole analytical process.

The answer to all this isn't in this chapter; it unfolds in Chapters V and VI. It's a form of exposition that has the advantage of demonstrating the unity of the dialectical method. For me, its drawback is that it interrupts the flow of development, the progression toward concrete forms (it reconstructs it later, but immediately it's interrupted). For those unwilling to see the unity, it gives the exposition the appearance of... fragments, thematic units: first the thematic unit of the commodity, then we move on to capital, then to the working day as a commodity... When, in reality, there is a continuous flow. That's why I emphasized it. It's introduced by Marx when he examines the functions of money.

He doesn't summarize it at the end of the chapter, but it gradually becomes clear how the nature of the social relation changes, how the immediate object of social production shifts from being a production of use values mediated by the production of value, to being a production of value to retain value, to being a production of value to put money into circulation. What does money do? It buys commodities (that's what comes next in Chapter IV). And then, what happens next? What does it do with those commodities? It doesn't simply remove them from circulation to bring them into the sphere of consumption, but rather to return those commodities to circulation in the form of money, transforming them into more money. And that's where the whole development unfolds. And sometimes it lends itself to fragmentation, and sometimes to the bad faith of claiming that he admitted he was wrong, that what he had been developing up to that point is invalid.

Let's continue with Marx's analysis. We've already established the condition for labor power (the capacity to work) to exist as a commodity: first, that its possessor be a free individual, owning their labor power privately and therefore only able to sell it for specific periods. Second, they must lack both the means of production and the means to produce commodities independently, thus being doubly free.

At this point, Marx poses the question: if this is a commodity, like all commodities, it has value. Consequently, the question is how is the value of labor power determined? And here he explains: like any commodity, it is determined by

the labor time necessary to produce it, and consequently, to put this commodity back into circulation. Therefore, as value, labor power is the materialization of a certain quantity of average social labor, performed under normal conditions. Labor power resides in the body of the worker, a living being who needs to consume a certain quantity of means of subsistence. Consequently, the value of labor power will be determined by the value of these means of subsistence necessary for the worker's survival and reproduction.

Here, something from the development that I feel needs clarification will appear. Up to this point, the reference has been to *necessary means of subsistence,* to normal social labor materialized in that labor power. But the exposition itself lacks the specific determination of the commodity, which is to be a product of SNALdPaI. It is not made explicit here. There is a place where an indirect reference appears. But it is not made explicit, and this has given rise to a series of questions and discussions regarding what kind of labor is being discussed. I always focus, beyond what is stated in the text, on the analysis of what labor is that determines the value of labor power.

When a worker works for themselves, they are materializing a certain amount of labor in the product. Does that labor form part of the value of their labor power? No, because that is not social labor, but simply individual labor. They don't have to govern it by establishing a social bond with the producer because they establish it with themselves. It is not mediated by any kind of need to be governed by a bond that involves social labor. Social labor is that which an individual performs by expending their body so that another individual can have the product of that labor. It does not have the attributes of value-producing labor.

The next type of work is that done by another member of the working-class family so that the worker has labor power to sell. The question again is: does this form part of the value of the labor power of the person who will sell it? It is not mediated by exchange because it is social labor governed by bonds of personal dependence. Consequently, it lacks the characteristics of value-producing labor. It is social labor, but it is not private labor. It is directly organized labor, and therefore does not form part of the value of the labor power that will be sold. If one were to think that it has value, one would have to explain how labor that is not private with respect to the one who will consume its product produces value.

This raises several issues (I'm not sure whether to elaborate), because classical and neoclassical economics (and Austrian economics, which is neoclassical despite their vehement claims that it isn't, since its foundation is that value is determined by utility and scarcity) cannot explain this condition. To do so, one must distinguish between labor that is immediately social and labor that is privately and independently performed. This will have repercussions on the techniques used in national or social accounting. Historically, it appears in the figure of the housewife.

I attribute this to Keynes (but it's not Keynes; I've lost the reference), but when national accounting began in the wake of the Great Depression, when the recording of total capital movement in society started, the question arose of what should and shouldn't be recorded. They couldn't explain why the work of housewives wasn't

included in society's value output [99]. The essence of this, which I attribute to Keynes, is this: if all English gentlemen married their housekeepers, England's GDP would decrease because housekeepers are recorded as working privately, while housewives aren't because they don't. And political economy can't account for this.

And what now appears, in reverse, is the argument that it does have to produce value. And it doesn't meet the condition to produce value. It's not a moral problem. It's a social relationship that has a historical character, which, in the very development of the capitalist mode of production—next year we'll examine the transformations that occur regarding the bonds of personal dependence within the working-class family in particular—but this work is not part of what determines the value of labor power.

We're going to take it a step further. So I don't forget, I'll put it first (we'll look at it in detail later). The only labor that enters into the determination of the value of labor power is, first, the commodities that the seller of labor power needs to consume in order to have labor power to sell. Then we'll see that it includes the entire working-class family, including those who work within the working-class family so that other family members have labor power. What will emerge there is the normal condition of the reproduction of labor power.

What would happen if capital paid something to members of the working-class family who are not direct sellers of labor power but who work to ensure that other members have labor power to sell? That working-class family would receive more value than is necessary to reproduce the labor power it has to sell. Consequently, the price of labor power for those family members who are direct sellers of labor power would decrease and offset the payment to those who are not themselves sellers of labor power but who work to produce it. The working-class family would continue to receive the same amount of value as before.

We must consider that the general social relationship is between free individuals who are alienated in their commodities. The person who does not sell commodities on their own behalf (whether labor power or commodities in general), who does not participate directly in the general social relationship, suffers a double alienation. Because they are personally subject, they are not free with respect to the general social bond; they are subject to another free person because they are alienated in the general social bond. The inability to directly access the general social bond implies this double alienation. The general social bond is foreign to them; they are bound to the mediation of the exercise of the general social bond by another person in order to participate in it. Therefore, that other to whom one is subject has the power to deny one the means of subsistence in general.

Only with the development of the capitalist mode of production, in which the commodity becomes the general form of the product, do free individuals emerge. Then one has to observe, in historical development, how the bonds of personal dependence dissolve, and consequently, what happens to individuals who have not

[99]This argument is presented by JIC at the end of the first section of Chapter I of his book *Understanding Capital Today: Critically Using* Capital; pp. 9-10 of the 2nd expanded edition.

dissolved these bonds of personal dependence. The capitalist mode of production dissolves them at an extremely rapid pace from the perspective of historical process. From the perspective of the person who suffers the bonds of personal dependence, it seems like an endless process, one that will never reach its full development. We must examine it, when we arrive at that point, from these two perspectives. [...]

[Responding to a comment about productive or value-generating work in relation to domestic work, which is seen as denying its "value," and a question about Federici's assertion that Marx doesn't address the issue of domestic work, and why he didn't feel the need to.] When one speaks of *productive work,* one must make distinctions. Up to this point, we understand that from the perspective of satisfying human needs, work is productive if it produces use values. The work in question here is productive from this perspective; it is social work because it produces use values for others. We have taken a step so far: but in the capitalist mode of production, for the general social relation, as we understand it, it is not enough to produce use values for others. Only work that produces value is productive. When one speaks of whether something is productive or not, the first thing to consider is: with respect to what? The work one does for oneself is productive, but it is not social work. Later we will see what happens with a certain job that is apparently, or in its concrete form, simply individual; what we will see is that it is not simply individual.

Capital, Marx discusses women's labor outside the context of personal dependency, subjecting it to a specific historical condition. We will examine this further, because the development of concrete forms differs drastically from what Marx envisioned. It's important to remember that in Marx's time, women had only recently become free individuals. We observed legal [private] relationships: buying and selling. Previously, they couldn't sell their own labor power, while adult men could. This situation of personal dependency extended even to the sale of their labor.

Marx will observe that. But when you look at it, in his time even adult male workers weren't free individuals for *political relations* (public legal relations); they weren't citizens. To be a citizen, one had to own property. And the Chartist struggle in the mid-19th century was to lower the amount of property required for workers to become citizens. So he's still looking at adult men as individuals who weren't free for political relations. Much less so women: even though some men, especially non-workers, were citizens and owned property, bourgeois women weren't citizens.

Marx is grappling with this situation. He has an explanation for why the adult male is the quintessential seller of labor power, which he himself posits at a certain point in his work: that now the entire working-class family—adult men and women and children—has become sellers of labor power. This occurs in a society where, simultaneously, it appears as a destruction of the conditions for the reproduction of the working population, where laws restricting child labor and regulating women's work have to be enacted, even before Marx was writing (1830-40). He elaborates on this, but our development goes far beyond that. When one

views it as a historical subject, it is a rapid development. When one views it as a subject that suffers the process, that carries the process, it seems that certain constraints are never fully overcome.

Here's another point to consider, one that's often used to attack Marx. Instead of examining and questioning the determinants of the commodity and, therefore, of the capitalist mode of production, it's used to say: "Oh well, then I'll decide that this is how it is, based solely on what seems to me to be the case." We must remember that Marx was a doctor of philosophy or law (it's somewhat unclear [100]) from the mid-19th century, with all the prejudices inherent to that position. Yet, he possessed the remarkable ability to transcend his prejudices and answer the question of what this new historical subject he was observing (the working class) actually was, and to unfold the determinants of the working class's consciousness as a historical subject. *Capital* is that consciousness observing itself, not being Marx's own immediate consciousness, because he wasn't a member of the working class. Therefore, racist references, etc., will appear in his texts and letters. One must examine the development of the argument and substantiate the critique, not simply take the expressions as they appear.

The expert on Marx's biography is Luis Denari, who is writing a biography very much focused on what he is as a subject and what is [...] the production of consciousness. There's a biographer of Marx from many decades ago, whom I read when I was almost a child; it was in the family library, and his work is called *The Red Prussian,* which already shows... And the author tries to show all the most negative facets he might have, and he made a point of working with the letters of Marx and Engels for this. There are two aspects to this. One (the lighter one) is when Lassalle (the head of the other faction within German social democracy) died in a duel, and you read the letters and it's like: yes, what a shame Lassalle died, but now that the dog is dead, the rabies is over and we move forward. And the other, which is more serious: Engels's partner had just died, and Marx's only response to the bitter letter Engels sent him was to ask him for money for his daughter's piano lessons. And then he apologizes. You can't ask him to be anything other than who he is, and especially you can't disqualify him for being who he is. Let's look at what he developed, subject it to criticism, and see if that criticism holds up or not.

If someone tells me that work done through relationships of personal dependency produces value, then I have to say that when a mother breastfeeds her child, she produces value, and there's a naturalization of this social relationship. Who wants to naturalize it? Someone who needs to empty freedom of its content of alienation, because if the production of value is natural, then free consciousness is a natural attribute; it's not alienated. When you look at it in its historical development, it only emerges as a form of alienated consciousness. Politically, what is personified when one wants to erase the fact that free consciousness contains alienated consciousness? Or why does this type of naturalization arise significantly at a certain historical moment, but at the same time, the historical subject is viewed as the bearer of the productive forces, and therefore, one must examine what happens to the materiality of labor? At a certain stage of historical

[100]Actually no: his father wanted him to study law, like him, but Marx dropped out and studied philosophy.

development, this is reversed, and it's said: "Abstract labor has no material character, so let's not look at the materiality of the labor process; what is specific to the capitalist mode of production is abstract labor, not private labor." And it follows that consciousness is free by nature. These are the questions I ask myself as an expression of a historical subjectivity: why is it necessary to erase what is specific to private work?

Let me clarify: since discussions about housework involve the question of valorization… When I wrote the second edition of *Knowing Capital Today,* I argued that the discussion about domestic work and the production of value is closely linked not to the production of value, but to the valorization of value. Therefore, to discuss it, one must wait for the valorization process to be complete. I did, however, leave open the question of what constitutes value production […], only private labor (which presupposes that it is social; one cannot work privately for oneself).

We had the idea that the body, the person who will apply their labor power, must be reproduced. Up to this point, the focus was simply on the individual: it was the reproduction of the working individual. This power is used up and must be replenished; after working, one must have these means of subsistence to be able to work again. I'm skipping the order so I can consider it all together later: what will emerge is that the possessor of labor power is a mortal being; they must replenish their labor power because it is completely depleted upon death. And what will also emerge is that the value of a generation's labor power includes the means of subsistence that the children of the working-class family need to consume in order to have labor power in the future.

What will emerge is this: to be able to work, one must learn how to work, and consequently, what is spent—not on the work the individual does to learn how to work, but on educating the individual—forms part of the value of labor power. In the case of ordinary labor power, these expenses are insignificant because the working population Marx is studying receives no formal schooling. The English population in 1820 had two years of schooling, and by Marx's time, three years, if I'm not mistaken. Marx will later explain why schooling developed. But this is a stark contrast to what we have before us.

I'm clarifying this so it doesn't seem mysterious. We've already looked at complex labor: the application of a workforce whose development required the individual to work extraordinarily hard to produce themselves. And there's a type of labor that appears individual, because it's the expenditure the individual made to produce themselves, but it's actually social labor because they were producing themselves *in order to produce commodities*. To produce that special commodity, which required this process of workforce development, they had to work harder than others.

In a society where the unit of social production and consumption is established through bonds of personal dependence, if someone has to dedicate more time to training their workforce for a specialized job, society allocates them the necessary means of subsistence beyond the general time available. In the capitalist mode of production, even in the production of simple commodities, the labor an individual

has to perform to learn to work—labor common to all—is automatically compensated because everyone had to perform it; therefore, it is not added to the value of the product they produce, nor does it need to be. But the only way for an individual who spent an abnormally long time or who had to expend an abnormally intense amount of their body to train as a worker with a particular skill, in that case, to acquire the necessary means of subsistence to reproduce themselves at a time when they still had no commodities to sell, is the additional value that *complex labor produces.*

We must clearly distinguish between the work one does to produce oneself as an individual with labor power, the work of learning, and the social labor of other individuals privately so that this individual has labor power, which forms part of the value of labor power but not of the value of the product of labor. The work that the individual does in their training process to acquire labor power, if it is extraordinary, does not form part of the value of their labor power, but rather of the value of the product of their labor.

Marx later makes an observation that one might take as a generalization, but which isn't simply valid. Marx argues that a worker performing complex labor produces more value and consequently increases the value of capital, but he posits that this will be offset because their labor power will be more expensive, since more private, social labor was required to produce that individual with those attributes. This has led to the confusion that the two are the same, with discussions already suggesting that in complex labor, what determines complexity is the learning expenditure, the work done by others to enable the learner, and then the fact that this individual performed complex labor. But this doesn't appear either. It's in the value of labor power. If this individual couldn't sell their commodity but still had to eat, the value of the labor power of the previous generation must include the food that this individual has to consume over a longer period.

All of this reappears later, but I think it's important to clarify it because it's closely linked to a mix of approaches [...].

[Javiera asks about the difference between the work one does while learning and the work of someone who teaches.]

On one hand, there is the expenditure one makes studying (a conscious and voluntary expenditure of labor power aimed at producing one's own labor power): it is not part of the value of the individual 's labor power but it is part of the value of what that individual produces *if that education was abnormally Long.* If the work is lifting weights that no other human being can spontaneously lift, then he has been productively expending his body in an extraordinary way to produce himself; it's not just what we call an "educational process." Therefore, he will produce more value because to that immediate work we must add the work he did before, because only if he did that extraordinary work can he perform that work.

And then there's the work that other individuals did to help this person learn. It doesn't matter if it's extraordinary or not. If it is, it goes even further, because you have to add that for this person to have developed that extraordinary skill, other

individuals must have spent more time working to help them acquire it. But even if it's general knowledge, if that knowledge is developed on the basis of social work done privately and independently, even in ways that seem otherwise but ultimately embody that purpose, then that becomes part of the value of that individual's labor.

If you look at it directly with education, there are some strong national distortions here. I learned from the Chileans, and now I'm careful when I say "public education" because I know it's not free. But let's put it this way: where primary education isn't free, it has to be paid for and it has to be part of the value of the parents' labor. If the norm is to have a complete primary and secondary education, then all that education has to be included in the value of the parents' labor. Which *then* becomes part of the value of that individual's labor, because in turn they will have to support future workers who need this education, so it keeps shifting.

Let's assume that the average, the norm, is primary education, and there's an individual with a university education. The value of their labor power includes the cost (if it's paid, this is immediately apparent) of primary, secondary, and university education. Therefore, the value of that labor power must be included in the parents' contributions, but then it will be projected (which is why free public education has a different character; it's projected differently). The value of that individual's labor power is higher because they have more educational work done by others embedded within them, but they *also* did more work to acquire this complex labor power, and consequently, they will produce more value. They have accumulated a quantity of labor that now needs to be materialized in commodities.

There is another aspect that will be very problematic: if the value of commodities changes, the value of labor power changes as well. And it will distinguish between means of subsistence that are consumed daily and must be replaced immediately, and means of subsistence whose use value is consumed gradually and must be replaced more frequently. The result of this is that, if one takes the average cost of that labor power per year, for example, there is a kind of basket of commodities that constitutes what the working-class family needs each day to reproduce itself. Under these normal conditions, the "indispensable" commodities to cover these average needs each day embody 6 hours of social (private and independent) labor, and the working day is 12 hours. Therefore, the value of labor power for one day corresponds to the product of half a day's work. As it is represented in the product of ½ a day's work as value, and it will take thalers or shillings as the unit of value, it will always consider that the value is expressed in quantities of money, that it is paid in gold enclosed under the monetary name, and then 3 shillings or 1 thaler will be the price, that is, the value [101]of each day of labor power, and it will sell its labor power for its value, capital will pay for it for its value.

There are two observations in two different places where Marx refers to the determinants of the magnitude of the value of labor power. Up to this point,

[101]Because we take it in its pure form, as if the price were equal to the value, even though we know that its normal concrete movement is permanent deviation.

nothing has been developed regarding the worker other than the analytical process that shows him as a private possessor of labor power who needs to sell it and as a consumer of commodities. But how many commodities does he need to consume? What he needs to reproduce his labor power when it is exhausted. How much is that? Up to this point, we haven't seen any determination that tells us. What Marx will do is develop two arguments around this question.

It will refer to the needs that must be met in its normal state, and says: "Natural needs: food, clothing, heating, housing, etc., vary according to the climate and other natural conditions of each country." And up to this point, it's a determination that isn't fully developed, but rather stated: it depends on this; if it's colder, more clothing will be needed, but it doesn't say how much. And now comes the matter of volume:

> [...] *the volume The so-called natural needs,* as well as the way to satisfy them, are in themselves a *historical product* that depends, therefore, to a large extent on the level of culture of a country and, above all, among other things, on the conditions, habits and demands with which the class of free workers has been formed [102].

Now, if we look at this, these natural needs appear as a historical determination that is external; it is history as a result, and it doesn't explain what determines the level of culture in each country, nor why the conditions, habits, and demands under which this class was formed exist. We must remember that when he looked at this class of free workers, he said: it is not a product of nature, but of historical development. And at the same time, when we look at it, that historical development (as we have discussed before) comes from private and independent producers: that is where these free workers were formed. And up to this point, the component of use values and the magnitude of the value of labor power appear to be determined externally: they do not arise from the very movement of social production and consumption.

And then a reference appears again regarding the determination of the magnitude, it says:

> The ultimate or *minimum limit* of the value of labor power is indicated by the value of that mass of commodities whose daily provisioning is indispensable for the possessor of labor power, for man [**JIC:** I clarify that it is for the human being], since without it he could not renew his life process; that is, the *value of the physically indispensable means of life.*[103]

And here's the question: what determines what is "physically indispensable"? Marx will later give an example of an individual who, at that time, developed a stew that provided workers with the same nutrients as their normal diet and was much cheaper. And yet, the workers weren't paid a wage that corresponded to that stew, but rather to the meager food they were eating at the time. This kind of thing has been renewed in other forms, but the focus remains on how to make food cheaper. Take a TV commercial that explains how to counterfeit beef hamburgers, how to "stretch" them—in the terms of the food industry—add ingredients that aren't part

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[102]Marx, K. (1977: 124), *Capital* (1977: 124), Volume 1. Mexico City: FCE.
[103] Ibid., p. 126.

of their nominal contents, but do it at home. Which is saying: at the price it would be if it were what it claims to be, it wouldn't be worth buying; you can only buy it if you know they're counterfeiting what they're selling you, and that makes it cheaper enough.

So, this idea of "physically indispensable," which later in other contexts will be used with the term "subsistence," which comes from classical political economy… They will speak of the "natural price of labor" (they don't speak of labor power). For Smith, it is what the working-class family needs to subsist, but he says that sometimes it could be above subsistence, and Ricardo states plainly that the natural price of labor is what the working-class family needs to subsist, and it cannot fall below that level; and Marx adds: "[…] since, under these conditions, it can only maintain itself and develop in a *stunted manner*. " [104]Stuntedness was a widespread condition among the working-class population in England in the mid-19th century.

The question here is: if capital requires that individual's labor to possess knowledge that is contingent upon having undergone a primary, secondary, and university education—an education that clearly requires payment—can the minimum wage be considered "physically indispensable," or does that labor force not have such a minimum requirement? To put it another way: eating involves consuming different foods, dressing in different ways, and so on. These seemingly natural needs, presented as physically quantifiable, raise certain concerns for me. This has also led to a series of questions about what constitutes a worker, what it means to sell one's labor power at its value or below it, questions that relate to these issues.

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[104] Ibid.

[III]

Let's finish this chapter. We already have the determination of labor power as a commodity, the doubly free condition of the worker who sells labor power, and the value of that labor power, which is sold for a given period of time and is determined by the value of the commodities that the working-class family needs to consume in order to have labor power to sell in the present and in the future. What we were essentially discussing is that here, labor power appears with its value without that value being determined by the movement of labor power itself in the social production process. Both times there is reference to its determination, in both cases it appears as given: labor power has a certain value. There was a condition of subsistence; we saw what can be understood by the material reproduction of human life, which appears with the expression "what is physically indispensable." And the other aspect, when the level of culture of a country appears externally, along with the conditions, habits, and demands under which the class of free workers has been formed, this historical and moral element appears [105]in contrast to the rest of the commodities.

The unanswered question here is: what do these habits and demands depend on? The determination of these conditions appears to be something external to the movement of capital itself. And the question arises as to whether this expression of an abstractly historical and moral element is not, in turn, determined by the productive attributes, the capacities of a given workforce as the subject of the material production process. What we need to examine is whether, as we move forward, we will always remain focused on this externality (and thus it seems that this historical and moral element comes from outside), or whether we will discover that this element is the expression of the movement of capital itself and the evolution of the materiality of the labor process within the capitalist mode of production.

[Aristides mentions that the concept of “exteriority” is unclear to him.] It is not explained how this element is determined except in a way that is doubly external: first, there is the enunciation: “There is this element”; second, what relationship this element has with the movement of capital itself. Because up to this point, it would seem that capital only needs a workforce capable of subsistence. But what does subsistence mean? It is clear that in order to have a workforce that requires a literate worker, the subsistence of the working-class family depends on the future seller of labor power having the means for their education: being able to buy the books necessary to become a literate individual. So, is subsistence just about eating? Or, if we are talking about the production of future labor power taking place within the working-class family, then it depends on what kind of worker is needed, which is what constitutes subsistence.

So, let's suppose it appears: well, it's an individual who knows how to read and write because there was this historical-moral component, because they live in a society where they learned to read and write… They are external to the movement

[105]The expression appears exactly as it appears in Marx, K. (1977: 124), *Capital,* Volume 1. Mexico City: FCE.

of capital itself. And this brings us back to the same point we had when we started in the first paragraph of Chapter I. What appeared? That in the society where the capitalist mode of production prevails, social wealth appears as an immense accumulation of commodities, and the commodity as its elementary form. What relationship existed between the capitalist mode of production at that point and the commodity? It was an external relationship: wherever it prevails, there are commodities. When we finished Chapter I, this changed substantially: now what we have before us is the simplest form of the general social relation in the capitalist mode of production because social labor is done privately and independently. There is this transition from pure externality (we didn't even know if the commodity was a product or not) to the determination by which what we could previously only look at as "given," we can now see explained in the content of its determination. There's a saying that workers, in order to survive, need to consume books because they need to be literate, but the movement doesn't end there. Nor does it end there where the doubly free worker came from, just like the capitalist: they exist, and from there we continue; at some point, we have to explain the necessity of their existence.

If we look at the needs for use values, these needs still carry with them what appeared in Chapter I: it is something that, by its attributes, serves to satisfy human needs. And these needs arise from the imagination or the stomach. And it is not explained why there are individuals who have certain fantasies or certain stomachs; we do not have the explanation for why this is a use value in the capitalist mode of production.

I'll give a concrete historical example. Tobacco is a use value that deteriorates the individual who consumes it. And yet, why is it a use value? Crack cocaine [106]is a use value. What is the need for something that destroys the individual to exist as a use value? One might say: the need for crack cocaine arises… one could say from the stomach, because the individual has nothing to eat and so this erases them from their situation; or it arises from fantasy, because it will take them out of their reality. But why is that a use value? And this applies to all use values. When we say, “These are the commodities that the working-class family needs to consume,” we have such an external explanation of why that is what they need to consume. Why are tobacco, alcohol, amphetamines, and other “intoxicating” substances use values *in this form of society* ? Up to this point, there is no explanation. It is clear that they are use values that are produced privately and independently; they are not simply products of labor: they are products of capital. In that sense, when the term "historical moral" appears, it's an external assertion. The problem with that assertion is that it often prompts an immediate explanation of its content, leading to arguments that it depends on how much the working class struggles for it, whether it has this consciousness, and attempts to explain something that exists at the starting point as if all the determining factors were already in place.

[…] Once the value of labor power is determined, it becomes clear that labor power is the capacity to work, and one must distinguish between the capacity to work and work itself, which is the *exercise* of that capacity. Marx draws a parallel

[106]Cocaine Base Paste (PBC), a low-cost drug based on cocaine sulfate similar to crack, made with cocaine residues and processed with sulfuric acid and kerosene.

with the capacity to digest and digestion. In order to apply labor power, it must have been produced and the material conditions for its application must exist, and what we have seen is that the worker is separated from their means of production; these conditions are not present. For labor power to be transformed into work, the first step is for the worker to sell that labor power. And what the worker will have to do is, just as they sell the use of their labor power for a certain period of time, they will have to continually repeat this sale, because as a living subject they need to have access to the use values they receive in exchange for selling their labor power in order to reproduce their natural life.

And so, Marx continues with the analysis of some specific characteristics of the commodity labor power. The first thing he points out is that it is not distinguished from other commodities because the existence of its value precedes its existence as a commodity released into circulation. Since producing it required a certain quantity of the product of social labor performed privately and independently, its value pre-exists the sale of labor power. But furthermore, in the act of selling it, where its value is manifested, its use-value is not yet present; in the act of exchange, the transformation of labor power into productive activity does not occur. Therefore, the consumption of use-value, and thus its existence as use-value, is separate from the moment of alienation.

What happens to a commodity in which the sale and the actual delivery of its use-value are temporally separated? Marx's answer is: we have already seen the function of money as a means of payment. Something every seller of labor power knows is that first one delivers labor power, puts it to work, and then receives the value of that labor power. Consequently, in the actual transaction, it is the capitalist's money that fulfills the function of a means of payment, because it consumes the worker's labor power before paying for it. Now the worker becomes the creditor and the capitalist the debtor. This is the real reality: workers always extend credit to the capitalist.

But what matters here is the nature of this exchange of commodities. Labor power is now at the disposal of the capitalist, who has the capacity to appropriate its use-value. To examine this movement in its purest form, we must assume that the content is immediately identical to the form, abstracting from that concrete form. Marx then proposes that the capitalist pays the worker for their labor power at the moment the transaction occurs, at the moment of its sale. This is something one must bear in mind because subsequent discussions within Marxist political economy have overlooked this starting point, later claiming that Marx's argument is incorrect.

It might seem, if one abstracts, that the capitalist doesn't need capital to buy labor power, because they first use it, consequently producing a product, which they then sell, and with that money they pay the worker. Neoclassical economics reflects this, and uses it as a basis for its theory of the production function. It posits that labor (not labor power) is a factor of production, and that the worker's wage is not part of capital; that the worker is paid for what they produced. This theory rests on the premise that the worker is paid after they have worked. The capitalist who is going to construct a building, if we assume they build it and sell it once it's

finished, must have in their capital the value of all the labor power they will use, because they won't have a commodity to sell until the construction is complete. And in the meantime, yes, the worker extended him credit for 15 days, but then the credit was closed and the commodity wasn't ready to sell, and another 15 days passed and the credit was closed again, and so on. So this must be considered in light of all these aspects. And the richness of the argument is that it's not simply an assumption for the sake of simplification, but rather it shows the movement of capital in its purest form, in the fullness of that value that is valorized, and that this isn't obscured by the appearance that payment is actually made later, and therefore wasn't included in the value that was advanced.

Now the capitalist has this labor power at his disposal; it is his property because he bought it, but he has to consume this labor power, appropriate its use value. This labor power must then be put into the process of production of commodities and surplus value, which has not yet been explained; only the source of the possibility of that production has been introduced. Therefore, the consumption of this labor power, like that of any other commodity, occurs outside of circulation. If it were a means of subsistence, it would occur in the process of individual consumption, but since it is a commodity used for production, it will be consumed in a production process.

So, he's going to create a series of figures where the first thing that will appear is that the public sphere is that of circulation, where all the movement of that social relation is made manifest, but we have to leave this sphere and enter that of production: private production. Therefore, one can only enter on the basis of this link that exists between the capitalist and the worker. And then Marx is going to talk about entering the "hidden workshop" of production, and he's going to make an observation that seems like a mere statement but that contains the expression of who the subject of this process is: "Here, in this workshop, we will see not only *how capital produces* [107], but also *how production occurs. " "himself,* capital [108]," and here is the assertion that it is a subject that produces itself. And then he says: here we are going to discover the secret of capitalist production [109].

Before taking that step, he makes another observation. He says: this sphere of circulation, where the buying and selling of labor power takes place, is the true realm of the rights of man, of what the French Revolution proclaimed. Why? Because "[...] *liberty,* equality, property, and *Bentham "* prevail [110](I will now explain why Bentham, who was not explicitly mentioned in the Declaration of the Rights of Man).

Freedom, because the two subjects involved are mutually free individuals who, through their free will, establish this relationship. They are free men and equal before the law. In the contract, as we saw earlier, the link between the personifications of commodities is a direct, conscious, and voluntary relationship, which is generally called a legal relationship; it is a common legal expression of the

[107] **JIC:** how it produces things that are different from itself.
[108]Marx, K., (1977: 128), *Capital,* Volume 1. Mexico City: FCE.
[109]Marx says (Ibid.): "[...] the *secret of the production of surplus value.*"
[110] Ibid.

two wills. This is what it shows us. Equality, because they relate as possessors of commodities. Each receives and delivers an equivalent of the other; there is an exchange of equivalents. Property, because each can dispose only of what is theirs. And here there is one more element that Marx will not elaborate on here, but which one can contrast with something that appears much later, which is what kind of property is involved.

On what is this private property based? All we know about the capitalist mode of production is what we've seen so far regarding commodity production. To produce commodities, one must have private ownership of the means of production in order to own the commodity that is exchanged. Underlying this ownership is that it is based on one's own labor. It's not explicitly stated, but if we follow the development of what we know about property up to this point, it arises as a product of one's own labor.

And finally, he brings up Bentham, the utilitarian philosopher, where everyone pursues their own private interest, obeying a selfish impulse. Then he takes a phrase that alludes to Adam Smith and says: and when one looks at the circulation, on the basis that this is the realm of the rights of man, what one will find is that since everyone is only concerned with themselves and no one is concerned with a common or general interest because that would imply attending to the interests of others, all of them, "thanks to a *pre-established harmony of things* or under the auspices of an all-knowing providence, " [111]referring to the invisible hand: from this confluence of individual private interest will spring the satisfaction of the collective, social interest.

Regarding this, he will refer to the vulgar free trader. In reality, it refers to all of political economy, but it is immediately expressive of what neoclassical and Austrian economics do; it is precisely that expression. Therefore, what one has before us is that this construction is not an abstract fantasy. It is based on looking at the purity of the simplest determination of the relationship between buyer and seller of labor power. It is an appearance because it is separated from its determinants, and I say "simplest" because it does not look at the concrete forms that are far from having this character in many respects. But that is where they will look for explanations to judge capitalist society and wage labor. But when one looks at the capitalist and the worker in this bright light of human rights, their appearance changes. The capitalist is now the one who directs and the worker follows behind; one is happy and the other goes reluctantly. And he creates this image of someone who is going to sell his own skin, knowing what awaits him: that his skin will be tanned. This concludes the process of starting in circulation, exiting it, examining labor power as a commodity, and returning to circulation through the sales contract. However, to understand how capital acts as a subject, we still need to examine what happens in the production process. This section ends here.

[Javiera's question about selfish and general interest]. What does Adam Smith say? We cannot expect the baker, the brewer, or the butcher to provide us with bread, beer, and meat out of benevolence: what we must do is appeal to their self-

[111] Ibid., p. 129.

interest and our own. This later led to the constructions of neoclassical economics. This is what is later synthesized in the concept of *homo economicus:* a rational individual who seeks to maximize their individual well-being, but knows that they must appeal to the interests of others to achieve it. Smith will introduce his concept of the invisible hand much later in his work, saying something like this: the social interest is better served when each person pursues purely and exclusively their own self-interest than when someone claims to be pursuing the general interest. Because in this clash of self-interests, it is as if there were an invisible hand through which each person, by pursuing nothing more than their own individual interest, achieves the maximum social welfare.

Ricardo was more practical, so he didn't dwell too much on whether this was true or not. And it later appears in the various branches of neoclassical economics and has resurfaced very strongly with the Austrian school, founded by Menger. […] If you look at it in this abstraction, this exchange of equivalents, this affirmation of freedom, that one is not subject to the interests of another individual and that one has possession of what is one's own and nothing more than what is one's own, it says that there can be no conflict between individuals: general harmony arises, no one has anything to claim from others.

Javiera: That's why on the previous page it refers to circulation as something located on the surface, right?

JIC: Exactly. That's *what you see* in the public sphere. What happens in the private sphere... We'll see what it confronts us with.

[…] The next chapter is about that: we need to see how the workforce functions. We already know that more value has to emerge from here, because it's the only possible source, but how does more value emerge? So, we begin with Chapter V.

§3. PRODUCTION OF ABSOLUTE SURPLUS VALUE

Chapter V. Labor Process and Valorization Process

1. Labor process.

What we have here is, once again, what we had in Chapter I. It began with use value, with the material character of the thing, and having unfolded the attributes of use value—because I was looking at use value—I saw that these use values in these societies are carriers of exchange value. And we're going to see that in this chapter it makes exactly the same parallel: it begins with the purity of the materiality of labor, and suddenly there's going to be a shift through a matter that pertains to the materiality of labor, and from that shift the specific character of this labor process as a valorization process emerges.

Let me clarify: it will expand upon things I mentioned earlier in my presentation regarding the production of simple commodities, not the movement of capital. I believe that today one cannot wait until this point to address the conditions of the materiality of human labor, because within Marxist political economy, the conception that abstract labor lacks a material character, that it is not a material expenditure of human labor power, that it is not common to all forms of society, but rather a specific social form of the capitalist mode of production, is absolutely dominant. Therefore, in order to fully confront this, it is essential for me to highlight, when one looks at the simple production of commodities, that the problem here is how the materiality of social labor is allocated privately and independently. Consequently, one must begin with the materiality of the human life process. In many parts of Marx's work, the development of aspects of materiality will appear when they reach the specifically capitalist form. […] We will see many things we have already seen, but here they are structured step by step.

Where will we begin? Well: the use of labor power is labor itself. What does the buyer of labor power have to do to acquire the use-value of the commodity they purchased? The seller has to start working. Then, they go from having potential labor power to labor power that is in action; here, they become a worker and have to materialize their labor power into use-values, things that serve to satisfy human needs. The production of use-values doesn't change the materiality of that process, whether or not it's done under the capitalist's control. So, let's look at the materiality [of labor] in its purest form, abstracting from specific social forms.

So it begins with the simplest definition of labor: it is a process of exchanging substances with nature, a metabolism governed by the human individual who will put the materiality of their own body into operation and apply it by working on the materiality of the rest of nature. Marx will observe that he will not concern himself with the merely animalistic forms of human labor, labor organized instinctively. And that is where the figure of the bee and so on will appear; labor is a conscious and voluntary action. And both terms will appear in the text that Marx will be developing.

He says that he doesn't simply change the form of natural matter, but that in this change of form he achieves his own end, and he knows himself to be organizing his action. He has to do so and govern his "conscious will" throughout the entire work process. There is a reference to the intensity of the work, not to mere materiality, but to the fact that the more unpleasant the work, the more attention he will have to pay, and that the more the worker recognizes himself, affirming his condition as a human subject in the work process, the more pleasurable it will be and the less effort he will have to make to concentrate on that work. So here we have the activity (the work), the object on which one works, and the means with which one works.

It begins with the earth, unfiltered by any previous work... this is the general natural condition of production (including water). And it is upon this condition that the worker's labor will be applied. Through labor, the worker will separate from the earth what will appear as raw materials (because they are unfiltered by any previous work). The means are distinguished from the raw material. When the raw material is the object of labor, it can later serve as a means for another labor process. Because there are already intermediate transformations that mean it is no longer simply a natural object. There are potentialities in what first appeared as an object and has now become a means because it has been filtered by labor to be used again. And so, in the means that will be used as means of labor, there are potentialities of a mechanical and chemical nature, which the human being uses to achieve their end, and they interpose these means between their body and the object of labor. And here, a form of labor is implicit, one that will later be fully developed, because what Marx will establish is that human beings *wield* this means of production to operate on the object of labor. What is presented here as the generic condition of human labor is manual labor. And this is what will appear as the starting point.

So, these means of production become the organs of human productive activity. It speaks of how what distinguishes different economic epochs is not what is done, but how it is done, how the materiality of labor is carried out. What, up to this point, appears as the labor process? It is the conscious and voluntary expenditure of labor power applied to the means of labor so that the means of labor operates on the object of labor and transforms its use-value according to the purpose pursued by the producer, by the worker. Here there will be a reference to the pure materiality of labor, stating: the unity between means of labor and objects of labor constitutes the means of production, and labor is productive labor. And here the determination of the materiality of productive labor appears from the point of view of the production of use-values.

It also includes a historical overview of the transformation of raw materials through labor processes and makes another distinction: the immediate object of labor, upon which the tool is applied to transform it into a specific use-value, and auxiliary materials, which are not materially incorporated into the use -value but are consumed to operate the means of labor. As an example, it uses fuel in transportation: an auxiliary material that enables the objective of moving something from one place to another. Coal in the iron smelting process is auxiliary;

it is mixed with the raw material and is distinct from coal used for lighting or heating, because in those cases it is incorporated into the product along with the raw material. And in the chemical industry, it is impossible to distinguish between auxiliary and primary materials because they are all mixed together.

A use-value can be both a product and a means of production within the same production process. Examples include coal and livestock (where this plays a significant role). There will be a production process in progress, where raw materials, even if they have been previously processed, will still be considered raw materials, as they enter this production process for the first time. We begin with this: we have a product that is partially developed, and depending on its function within the process, it operates as a raw material, a means of production, or a product. And here, observations about the means of production will emerge.

It comes from a process in which it was a product and has now become a means of production. It is not simply the materialization of previous labor but serves living labor. There is a discussion about the relationship between previous labor and living labor, but to serve as a means of production, the previous labor must have been well done, and above all, something will only have use value as a means of production on the condition that the living labor that produced it in its concrete form has carried out the previous operation. It is observed that when a means of production fails, the one using it remembers the one who produced it, whereas if it is well made, its condition as a product of previous labor remains hidden. But now the reverse appears: for the means of production to maintain their use value, living labor must use them; if it does not consume their materiality, processes of organic, physical deterioration will appear; they decompose.

All of this is common to every process of human life; it pertains to the materiality of human labor. Therefore, we don't need to refer to anything specific to a particular historical social form, which is the difference between productive consumption and individual consumption. In both processes, the use-value of products is appropriated. But in individual consumption, this appropriation results in the reproduction of the living subject itself; its product is the individual. In contrast, in productive consumption, labor power and the use-value of the means of production are consumed, and what emerges is the product of a production process. What exists is a product that is distinct from the one who consumed the means of production; it is separate from the one who consumed it. These are the simple, abstract, and general determinations of this matter. The only difference lies in the degree of development of the utilization of the means of production and the way in which the execution of labor is organized.

I want to emphasize something that I think is obvious to those of us here, but I want to make it clear. Because, again: neoclassical economics makes an investment that has a real basis, but one that we haven't seen so far, and I do want to make this observation. The only subject of the production process is the human being. Everything else that enters the labor process as an object of labor, a means of labor, raw material… Even if they are forms of non-human living existence, they are means for human activity, not subjects. The land is not productive; what is productive is either the plant that is above the ground and produced itself, or, in

the case of the cultivated plant, the only subject of that production process is the human being who made use of the plant's condition as a subject, transforming it into a means for themselves. The machine is not a subject of production; it is a means for human labor. Therefore, whatever power the means that human beings have to produce are productive powers of their labor, not of the machine. I'm clarifying this because, in neoclassical economics, machines, raw materials, etc., are subjects, they are *factors* (factor = the one who does) of production. And land doesn't do anything; it's a means of production.

What Marx is going to propose now is: let's look again at the capitalist. He has to take care of buying the means of production that serve the labor process, having all the material elements necessary for the application of labor power, and he owns the means of production and the labor power of the worker who sold it to him. And now what the capitalist has to do is ensure that the worker consumes the means of production while working (productive consumption). And again, Marx is going to state that the materiality of labor is the same whether the worker works for himself or for the capitalist. And here a reference will appear to what I was talking about earlier regarding the externality with which the conditions arise.

Where did the worker come from, with the productive attributes that allow him to perform the work as he will? What he says is: the capitalist encountered labor power as it presented itself in circulation. And if we look at this process, what we find is: how did labor power come about if he had to take it as it came from the market? It came from the producer who produced on his own account, as we knew it, but who is now separated from his means of production and has the productive attributes (what I call "productive subjectivity") of a simple commodity producer. And what Marx will argue is: a whole period of development of the capitalist mode of production has to occur before what is a worker emerges from the very movement of capital.

A reference appears to the *subsumption* of labor under capital: the condition of capital emerges as it ceases to be a mere artificial entity; it is a subject that sets its own conditions, that produces the worker according to its needs. But Marx says that at this point we have no full development of this; we will take it as it appears to us and see what the labor process reveals when we now view it mediated by the consumption of the worker's labor power, governed by the capitalist. And here what is specific to labor in the capitalist mode of production will appear. I will clarify the term "subsumption."

In the classic FCE edition (I have the new one, but I think it's worse, even though Roces was happier with it), the word "submission" appears, because "subsumption" didn't exist in Spanish. But it has a richer meaning than the word "submission": it's not simply that the worker is subjected, but that they are embedded within this other thing we're looking at. So I think it's progress that this word has been incorporated because this is what's at stake. It's not simply the domination of capital or the capitalist over the worker as something imposed externally, but rather that the worker is the product of capital, a moment or a form of capital's existence. Marx articulates the development of this, but at this point, we

still can't establish it; it has to be established through the very movement of what follows.

What follows is this: when one looks at this process of labor consumption governed by the capitalist, the capitalist controls the worker's labor, ensuring that the work is carried out properly, without wasting the means of production, taking care of them, and with the necessary skill. This is from a material point of view, where the worker is a free individual who, unlike those we've seen up to now, no longer has *full control* over their individual work. They still retain the control inherent to a free individual because the capitalist demands these attributes, demands that they maintain the control inherent to a free individual. And I'm making this clarification because arguments often arise suggesting that the worker has lost *all control* over their individual work: therefore, they couldn't work.

If I were to lose all control over my individual work right now… [He mumbles unintelligibly]. Is that it? That would be it. So, the worker always retains control over his individual work. Later we'll see in concrete ways how far that control extends, but even in the simplest, most basic, repetitive work, the individual has to have control over what he is doing; he has to consciously and voluntarily govern what movement he will make so that the tool (we are looking at work in which the tool is wielded) operates on the object of work. The free individual has productive attributes that the worker forced by his bonds of personal dependence does not have.

And I'm going to add one more thing, which I always add later: what do we find here in contrast to the simple commodity producer? The simple commodity producer was the full expression of private labor, where the individual performing the work, the producer, has complete control over their individual labor; there is no control over the social character of the work, no capacity to coordinate the work with other individuals. And what appeared here is that within private labor, the control of one free individual over the labor of another free individual emerged. For the capitalist, the work the worker does is social labor; it is another individual who is expending their labor power. And so here it appeared that within the private character of labor, we discover for the first time that there is a mutilation of that full private character, and that at the same time a social capacity to control the work of another individual appeared, in a relationship between two free individuals. Outwardly, the worker's labor remains private labor. Now let's see to whom the product belongs, and so on.

And so, the possibility of recognizing this movement doesn't arise from what follows, which is the movement's purpose: it arises from looking at the materiality of labor. When one looks at it and the figure of the capitalist appears—and up until now I've been seeing a worker who came with the attributes of a simple commodity producer—one begins to find what I will define as a development of the socialization of private labor. But within it, it begins to exhibit characteristics of social labor, in which an individual productively expends their body, but another individual controls that expenditure not because they have personal power over the first, but on the basis of a relationship between two free individuals.

So what Marx is going to show is this: the other obvious aspect is that the product of labor no longer belongs to the direct producer, but to the capitalist. Why? Because the capitalist bought the worker's labor power, and it is now the private property of the capitalist. The same applies to the means of production. What the worker did with their labor was to productively consume the means of production, and what will appear is that the production process in this form is a process of productive consumption of two objects that the capitalist bought and that belong to them. Consequently, the result of the interaction between these two objects, which is the product of labor, belongs to the capitalist. And this is where Marx moves to the second aspect of the dual nature of the capitalist production process: it is a labor process and it is a valorization process.

[Javiera asks about the emergence of this social character within private work].

In the pure form of private labor—labor done by an isolated individual, the private owner of their means of production—the ability to decide what and how to produce, the means of production, and the expenditure of one's body are attributes of the commodity producer. What has emerged here is that this is now an attribute of someone who does not expend their body. One can examine (Marx always largely ignores this; it appears briefly in Volume 3) what happens to the labor of the capitalist. Because to purchase labor power, to decide what will be produced, to determine what instruments of production and labor power are needed, etc., involves a conscious and voluntary expenditure of the human body. And this is a materially necessary component in the execution of this form of social organization of labor.

Whatever the social form, someone has to figure out how production will take place, and so on. This used to appear as an attribute of the commodity producer, but now it's split; one person has that attribute, and there's another individual who expends their labor power. Since this part of the capitalist's work requires labor, and Marx, at a certain point, argues that while some work, others remain outside the equation, because the labor the capitalist performs plays no role in valorization itself. The capitalist can add value to the product of labor, which immediately appears as the product of the worker's labor, but cannot produce surplus value because the condition was to buy a commodity whose use-value was to produce more value than it costs, and the capitalist doesn't buy their own labor power. However actively they participate in the labor process and perform materially necessary tasks, their labor can never enter the valorization process.

The social character that this work reveals… There are two individuals where previously only one was needed, and the condition for there to be only one (who had complete control over their individual work) is that there are now two fragmented individuals: the worker no longer has that full control, that control is mutilated, but the capitalist is now deprived of the capacity to perform the work. And together they constitute an organ of a work process that, from the point of view of the general organization of social labor, is social labor done privately and independently. But within that private and independent character, a process begins… not of cooperation, clearly, but materially, the two converge in the possibility of developing this work process. Neither of them has complete control

of what they are doing; they can only work together in an asymmetrical relationship. And what is immediately visible is that one expends their body under the command of the other, the other under their own command but must apply that expenditure to govern the work of the other. And this is a step in the socialization of private work.

When we finish this, we find ourselves again with the fact that what we knew up to Chapter I, and what allowed us to get here, takes a concrete form that is the complete opposite of what we saw in Chapter I. It is the same production of commodities within the capitalist mode of production, only the concrete form that this social relation takes, and in which human subjects are indirectly linked, has a form that is the opposite of its simplest content. This doesn't make it false; it simply indicates that this simpler content had a need that, when realized, resulted in this concrete form.

2. Valorization process.

From the perspective of the valorization process, the aim is to produce more value than that which had been embodied in the material form of the means of production and the labor power purchased by the capitalist. And if, from a material standpoint, the purpose of the production process was the production of use value, the purpose from the perspective of the valorization process is the production of more value than was invested.

The development continues along the lines of the unfolding of the labor process. What we will see is that this labor process must transform raw materials, using the instruments of production and auxiliary materials, into a specific use-value. From the perspective of the value-production process, the value of the raw materials enters into the value of the product. I'm going to say something that isn't quite right, but it just comes to me: once this product of the previous SNALdPaI (Task, Instrument, Production, and Instrument) has been transformed into its material form, it must now be socially recognized again as the product of useful labor after its form has been changed, and it must reappear in the value of the product. The condition for this value of the materials used to reappear in the value of the product is that this new product be the product of a SNALdPaI, but that it corresponds to the socially necessary labor time required *to produce it.* The use-value of these means of production (raw materials, auxiliary materials) is contingent upon the specific labor applied to them being suitable for transforming them into the new use-value. So up to this point, we have seen that living labor simply preserved the value of the means of production. But now, we will see not just the preservation of value, but the production of value. Living labor itself must materialize in the product, and this is what Marx will address in the following section.

For labor to be socially useful from the perspective of the material aspects of the production process, it must first and foremost be carried out with the quality appropriate to the production of use value. But from the perspective of the value production process and subsequent valorization, what matters is simply the quantity of labor that will have been applied. Therefore, the development at stake is what happens to the materialization of that quantity of labor in the product that will be manufactured.

Up to this point, what we had was labor power paid for its value. Marx will gradually unfold this concept and arrive at a point where, as the worker transforms their labor power into labor activity, and that labor materializes in its product, the product of that labor contains a new substance of value that is added to the value of the means of production, equivalent to the labor time the worker has expended. Marx then develops this movement of generating new value to the point where the worker has produced a mass of value equivalent to the value of their labor power. They have worked an amount of time equivalent to the labor applied to the production of the commodities the worker had to consume in order to have labor power available.

Marx analyzes the situation up to the point where the worker has labored for a period of time similar to that spent producing their means of subsistence—commodities. If we examine the result of that production at that point, we find a mass of value materialized in the product, the sum of the value of the means of production consumed plus the new value materialized by the worker's labor, which is equivalent to the value of the capital advanced by the capitalist. It is at this point that Marx draws these figures regarding the capitalist's surprise because, up to this point, they have not *yet* managed to realize the value of their capital.

A whole series of aspects of ideological discourse appear: the capitalist's sacrifice, the risk he takes (something one hears very frequently today in the guise of the capitalist as an entrepreneur who has risked his capital and ends up with nothing), that he has deprived himself of consumption, as vulgar economics puts it. Today that term has disappeared; the term that replaces it is later, introduced by Alfred Marshall, which is that *he waits* to consume without receiving any compensation in return. The other figure that appears is: the capitalist is presented as someone who has worked, and what does he receive in return for that work he has performed? Nothing, because all he achieved was to replace the value of his capital. I made a clarification last time regarding what the capitalist can do and how Marx considers it necessary labor (of directing and organizing production), but throughout Volume 1 it is kept separate; the figure of the capitalist is alien to the movement of production. All he can do is produce value if his labor is socially necessary and is materialized in the commodity he is going to sell. But he cannot produce surplus value. If the source of surplus value is labor power in the form of a commodity, and the capitalist never sells his own labor power to himself, he can never valorize his capital.

Then Marx ends this irony and says: in reality, the capitalist already knew how things worked. And then he goes on to explain the *content* of capital valorization. Up to this point in the example, Marx had considered half a working day: the value of labor power corresponded to 6 hours of a 12-hour workday. Consequently, the worker's working day continues, and the worker keeps working beyond what was necessary to produce a value equivalent to the value of their labor power. It is in this part of the workday that extends beyond what corresponds to the value of labor power that surplus value arises. At the end of the full working day, the capitalist finds that they have replaced the value of the means of production and of labor power, based on the fact that a new value has been generated that is equivalent to that of labor power, and a new value that exceeds the initial value of capital. By productively consuming labor power, from the point of view of the valorization process, more value has been produced than was initially spent. Marx will put as a synthesis this of how it is explained that it occurs in circulation and at the same time outside of circulation, that it begins in circulation but can only be valued outside of it, in the production process.

Javiera: I'm still not entirely clear on how the capitalist creates value. It's a monitoring process that, at a certain point, the worker himself takes over, but I don't understand why it's considered productive work and doesn't generate surplus value.

JIC: As soon as the capitalist *organizes Materially,* the labor process—that is, productive labor, labor *necessary* for the development of production, *if indeed it does that.* Surveillance work has nothing to do with that; it arises from the antagonistic relationship between the capitalist and the worker. But let's consider it in the pure sense of organizing material labor. If that labor is necessary, the capitalist's labor is materialized in the product and is done privately and independently; it forms part of the product's value. It could be the case, as long as the capitalist is doing materially necessary labor to produce use-value, that this labor appears materialized in the product's value; it is represented as value.

Let's assume the capitalist works alongside the worker, producing use-value; he participates in production. His labor forms part of the value of the commodity. Why can't he produce surplus value? Because the condition for producing surplus value is having purchased labor power at its value, and the use-value of that labor power is producing more value than it costs. The capitalist cannot buy his own labor power. He didn't have to spend capital to acquire that labor power: he used it as a commodity producer, not as a capitalist, because he didn't buy it. He is the private owner of his means of production and applied his own labor to them. He produced value that is part of the value of the product.

One of the reasons why this might seem quite separate here, but which I think is important to clarify from the outset given the issues that have arisen, is that up to this point we've been looking at the worker and the capitalist. What organizational work can the capitalist do in production that goes beyond establishing the conditions of production, where labor isn't materialized into use values, and ordering the worker to start working, with management then essentially being synonymous with supervision? When more complex work processes emerge, organizational work appears that goes beyond simply monitoring and purchasing the means of production and deciding what to produce. Rather, it becomes a condition for the development of the work process itself. From the perspective of value production, it's as if the capitalist were a private and independent producer, but they never have the possibility of producing more value than the cost of something they haven't sold.

Aristides: Would this be the job of a self-employed person [112]?

JIC: That's a simple commodity producer. When we get to Volume 2, we'll see what happens to that individual's role within the overall movement of capital. The value of the means of production he consumed reappears in the value of his commodities, as does the labor he himself materialized in the product represented as value if he is a SNALdPaI. This would be a capitalist who intervenes in a production process that is essentially a process of capital valorization, to which he adds his individual labor from the perspective of the material necessity of that labor to produce use-value, not from the "abstractly social" necessity for him to act so that use-value is produced, which would be the work of monitoring the worker. Because it is clear that the individual is working at that moment but that it does

[112]What in Spain we know as "self-employed".

not arise from the need to produce use value, but is involved in the social form in which that production of use values is organized, where the direct producer (the worker) has an antagonistic relationship with the organizer of work, the capitalist, who has to coerce and monitor him.

I shouldn't, but I'm making this clarification because I assume your question arose in connection with how one analyzes the subject you just mentioned in their concrete existence within the capitalist mode of production. One of its classic figures is that of the peasant, among others. This is what one develops from this approach in Volume 2: they are subsumed within commodity production, within the general movement, and so *they appear* to be a capitalist, because with their means of production *they seem* to be capital; *it seems* that what they receive is a wage, to the point where, in the national accounts, the self-employed have a separate equivalent wage and what would be the surplus, as if their labor power had been purchased. And that's valid when one wants to analyze the concrete forms, arriving at a whole development that we're very far from here. I'm just clarifying it because later, in practice, they appear as that figure, but *strictly speaking,* what we have so far is not that figure; they are simply a commodity producer.

[Question about productive and unproductive labor and the capitalist's managerial and coercive labor] [...] When we looked at the labor of circulation, we said: it must appear represented as value if it is performed privately and independently. When the capitalist exercises coercion, he does not exercise it as a third party privately and independently, but for himself. So, it wouldn't even appear as social labor. But these are markedly different determinations. Here, I returned to productive labor of use values for human life, not labor that produces use values for circulation. But if it did produce them... Which isn't considered anywhere in Volume 1, I'll include it later.

Gonzalo: I don't know if it's also getting ahead of myself, but it's also the management of a company delegated to its workers.

JIC: The same thing happens there: we have to see if the work done by the manager who doesn't own the capital is work that produces value materialized in use values for human life, or if it doesn't produce value at all because it's work for the owner of the labor power of this individual who sold it to the capitalist, thus constituting work whose product will be consumed by the very person doing the work... But we'll look at all of that as we go along. For now, let's take it in its purest form, and it's work that, if it materially plays a role in the production of those use values, produces value, but can never produce surplus value.

So, here we see the extension of the working day, and the condition of capital as the concrete subject of the human life process reappears, with human life as *the object* of capital. Because what will emerge is this: money, which is dead labor, the product of previous labor, becomes means of production that continue to be the product of internal labor. This sets that product in motion because it is incorporated into new living labor. And from this incorporation of living labor, into which a portion of money—the value of labor power, a portion of dead labor—is

transformed, while the other portion of dead labor, which was in the means of production, retains its value because living labor operated upon it in a concrete form that is socially useful and renewed its possibility of appearing as value, what will emerge is that all this dead labor is now capable of valorizing itself, of generating more value. And he uses that familiar expression that he seems "[…] a kind of animated monster that breaks into 'work' as if it were enclosing a soul in its body [113]," and with this figure he is talking about a subject.

The next question is: what is the valorization process? It is a process of value production that extends beyond a certain stage of development. Consequently, in the part that is replaced, the value of the means of production is preserved, and the value of labor power is replaced—that is, the labor that replaces the capital that was advanced. What Marx will say is: the production process, from the standpoint of value production, is a process of producing new value, because the value of labor power has already disappeared, but a new value equivalent to the old one has been generated. From that point on, the production process is a process of producing surplus value.

He then analyzes the condition for this to be socially necessary labor performed under normal conditions. Therefore, the capitalist must ensure that the worker has access to the means of production in normal condition. This normality of conditions for putting labor power into operation depends on the capitalist, not the worker, who does not have private ownership of their means of production. Regarding the use of labor power, what the capitalist demands is that it be put into normal operating conditions, with the normal intensity for that moment. In short, the synthesis is made at the end, and what Marx will refer to is: this is the capitalist process of commodity production.

Up to this point, we have understood commodities as simply products of labor. Now… we still need to explore some aspects, but basically, we are beginning to confront commodities as products of labor alienated within capital, as products of capital. But until now, we have only seen commodities as products of capital within the production process. And we will see if, at some point in this development, we confront commodities as products of capital as we understand them in production, or as we see them when we encounter them in the circulation process. For that, we will have to wait until Volume 3. Up to this point, all we have known are commodities as products of capital insofar as they arise from the production process, and therefore are materializations of SNALdPaI, which is represented as the value of these commodities.

There is one last point that Marx will develop: what happens to complex labor, which materializes in its product, represented by a larger mass of value than simple average, normal labor. What have we seen of complex labor? It is the labor that the commodity producer must perform to produce themselves, with productive capacities that go beyond what is normal. The labor that is performed to produce oneself but is general to everyone is canceled out, because commodities are sold simply as materializations of the labor directly done to produce them, plus

[113]Marx, K. (1977: 146), *Capital,* Volume 1. Mexico City: FCE.

the value of the means of production. But the living labor directly done to produce them—since everyone had to expend a portion of their labor power to have this capacity to work—is compensated.

But what happens when an individual has to work beyond what is considered normal to produce for themselves? This work, which will be materialized in their product as a greater mass of value than the immediate labor they expended, must be socially recognized. Otherwise, the individual would be unable to perform this more complex work, because if it is not recognized as valuable and is considered abnormal compared to the general condition, they have no way of obtaining what they need to reproduce themselves as an individual who must develop this capacity.

If we consider a society based on bonds of personal dependence, if an individual has to perform extraordinary work to learn the specific task they will later perform, society feeds them during the additional time they need to develop their labor power simply because of these bonds of personal dependence. They are a member of the community, and the community knows that these individuals need to be fed longer before they can produce. But in the capitalist mode of production, where there are no bonds of personal dependence, the only way to produce that labor power is to recognize that the individual has been working to an extraordinary degree. And the form of recognition is that the work they did during their training period also appears materialized in the product after their actual labor, and that product embodies more value because it embodies more labor: the sum of the immediate labor applied plus the proportion of labor the individual had to perform to acquire those extraordinary productive attributes.

Complex work requires a special, distinct development, undertaken by the individual themselves, to acquire the capacity to perform the task. I've revised something I proposed in older workshops that I believe is incorrect. What is simple work today, in a society where literacy is the general requirement? Marx defines it in a society where the majority of the working population was illiterate. Today, one cannot work under normal conditions while being illiterate (although it's not entirely accurate, but let's consider it in its purest form). However, to perform certain jobs, one must go through a process in which the individual is producing themselves, a process that transcends literacy. This individual must be socially recognized for having spent their labor power, unable to apply it to the production of commodities, during the time they continued their education. Because the only way for this individual to access the product of others' labor is to be recognized for having worked during that time to become capable of producing that socially necessary commodity, which a merely literate individual cannot produce. Let's take this in terms of the simple production of commodities (then we'll look at the worker).

This is complex labor. So, how much value does this individual embody in the product of their labor? We'll have to represent as value not only the immediate labor they're doing to produce, but also the additional labor they did to produce themselves with the capacity to produce this, which can only be produced after special training. So, this is the value of the product of complex labor: immediate

labor + extraordinary labor done by the individual. I gave the example of the individual who has to lift weights, developing extraordinary strength—if they're going to apply it to the production of commodities, if they're going to use it for fun because they enjoy it, then they won't produce value because they won't be performing social labor; they'll simply be doing individual work.

We haven't yet addressed the problem one faces with what Marx presents here. When Marx examines complex labor, he encounters this situation: well, it may be that someone sells their labor power to the capitalist, and when they apply that labor power in one hour, they produce more value than would be expected in a single hour of work, thus generating more surplus value. What happens to the rate of surplus value? Marx, in his analysis, places great emphasis on a rate of surplus value that is general, dominant, or average. And here, a clarification is necessary.

The rate of surplus value, from one branch of production to another, does not in itself have a determinant that gives it a general character. The general character of the rate of surplus value can only come indirectly; that is (excuse me, I jumped to the rate of surplus value that comes later, but Marx also addresses it here): if labor power is more or less universal, undifferentiated, everyone is more or less equal—and this is what Marx will sometimes make explicit and sometimes implicit—the value of labor power will be more or less the same for all individuals (if they have the same amount of labor power, it costs the same to produce it). And if they possess a certain amount of labor power, then the working day, the necessary labor time, is given because everyone has more or less the same value of labor power, and the value of surplus labor will also be more or less the same. Consequently, indirectly, the rate of surplus value will be common to all capitals, and all workers will produce it in the same proportion.

When Marx confronts this criterion with complex labor, he says: here's a problem, because it produces more value. What's the response? Well, but its labor power is also more expensive, and consequently, there's a proportionality between the increased value it produces and the increased value of its labor power. And this has given rise to a series of confusions and inversions. Because here we have two completely different types of labor that don't necessarily compensate each other. Complex labor is the labor the individual performs to develop that specialized labor power; the value of their labor power is the labor that others perform privately and independently so that this individual has that labor power. The labor one performs for oneself is not social; it doesn't form part of the value of labor power. It only becomes part of the value when one applies it to the production of commodities for others. Besides the common recognition, which comes from the amount of immediate labor expended, there must also be recognition of the extraordinary labor time one spends to acquire that labor power. In contrast, the value of labor power is the product of the SNALdPaI required to produce that labor power. It is the value of the commodities that the worker had to consume to acquire this labor power. And the two types of labor do not necessarily offset each other. Therefore, one must recognize that there can be different rates of surplus value depending on the varying complexity of the labor.

If you look at it from the perspective of simple labor, it's balanced out, and you can more or less think of a general rate of surplus value. But it's debatable whether complex labor simply compensates for the greater value that will be materialized by the fact that this labor power is more expensive, because the individual had to consume use values while performing this extraordinary work to produce themselves. That's why their labor power is more expensive. But it's not an immediate compensation of one thing for the other. And what Marx later clarifies is: it depends on how much more labor power costs relative to how much more value it produces; it's a quantitative problem: how much surplus labor the worker will produce.

Javiera: I don't understand you when you say it doesn't compensate.

JIC: Because they are two independent quantities of labor. One is the labor the individual performed to produce themselves with extraordinary labor power; the other is the cost of producing that extraordinary labor power through the commodities that individual had to consume. They are not the same labor. This becomes immediately apparent in the example of educational training, and more so in Chile than in Argentina.

The individual must undertake extraordinary study to develop their workforce beyond what is normal. When one observes this individual, the difference between the student and the teacher is that the teacher is performing social labor, because they are expending their body so that the student can consume the product of that labor. The student, in the immediate context, is simply doing individual work, producing themselves. These are distinct kinds of work. Insofar as the work this student does to produce themselves is extraordinary, it must be recognized not merely as individual work, but as private and independent social labor, because it is necessary to produce the commodity that requires it. They did not do it for the pleasure of being an individual who knows more, but because it was a condition for being able to produce this commodity, which is a social use-value; they do it for others. Therefore, this extraordinary aspect of the work the student was doing will appear materialized in the value of the commodities that this individual, once they have the required workforce, applies to the production of commodities.

The work done by the teacher is part of the value of that individual's labor power, but not part of the value of what that individual produces. Now, it's possible that the teacher had to dedicate 10 hours of socially necessary labor. Let's assume the teacher receives the full value of the product of their labor. Let's say education is like in Chile: you have to pay the value of the commodity-education (then there's a difference between free and paid education). Its value corresponds to 10 hours of the teacher's labor, multiplied by the total time the student spent doing extra work. But the time the student applied is 20 hours of labor. Let's assume the student will work (I don't know if the example comes out this way directly, but we'll get to the bottom of it quickly) 10 effective hours throughout their useful life for capital. But they worked 20 extra hours beforehand to produce their labor power. What is each hour of the student's labor worth? If it's 10 hours, that's the value of that product. So, let's say the value of the student's labor power for 10 hours is $10. But how much value will they produce in those 10 hours of work? They will contribute 10

hours of living labor, producing a value of $10, but also, because they perform complex labor, the value of their labor product will include the 20 hours they spent producing themselves: they will produce a value of $30, and the value of their labor power is $10. Consequently, the rate of surplus value is higher than that of an ordinary worker, whose labor power is valued at $10, and who produces $10 in 10 hours of work [114].

So, in this case, the ordinary worker has a zero rate of surplus value, and the one performing complex labor has a 50% rate of surplus value. This is merely an arbitrary example. But then, the complexity of labor, since it is determined by labor that is distinct from the labor that determines the value of labor power, does not necessarily have an equivalence relationship. It may be that complex labor adds less value than the cost of producing that additional labor power, or it may add more value.

Throughout the analysis that follows, Marx places great emphasis on a common rate of surplus value, except under certain conditions where differences will later appear, but not within the same unit of social production he is examining; they will appear between one country and another. For me, the existence of different rates of surplus value does not create a substantial differentiation in the development taking place, and in any case, on average, one could say that it is balanced. But the difference he makes is simply one more determining factor at play. And what Marx does is clarify that determining factor by saying: they balance each other out, and we have everything reduced to simple labor. It is more simple labor that the worker applied and more simple labor that must be applied to produce that worker's labor power. [...] What he does is present it as a simplifying assumption; it is a quantitative, not a qualitative, problem. And he says: let's assume that the worker employed by capital performs simple average social labor, and we save ourselves a useless operation, we simplify the analysis of the problem. And with that, we would have Chapter V unfolded.

Ivan: Why is it that the educational work that's incorporated into a worker's labor force isn't always recognized as such compared to other workers who don't have that same education? I'm thinking about teachers in relation to a bank employee who may not have studied but simply because of their position and the fact that it's a bank, has a higher income; and other types of work where there is education, yet the wages are lower than those of a regular worker or someone without education, even with collective bargaining agreements and so on. I understand the general principle, but then when I try to apply it, I struggle to explain why this abrupt income gap exists.

JIC: First, we would have to look at all the specific factors. So far, the only condition we've encountered is the sale of labor power at its value. If, to produce that complex labor, the worker needed to consume use values for a longer period and continues to need to consume more use values to reproduce that labor power, then the value of that labor power is higher, and it would appear that they are not selling it at its value. Then we have to look at the intensity of labor, which also

[114]He had to spend 10 hours educating himself, but it was the normal education to produce $1/hour.

plays a role, and here we're talking about average intensity. It's debatable whether the intensity of teaching work simply equates to average work intensity or whether it has a... in part, there's recognition that there is a high intensity of work because teachers retire at a younger age, because it's considered that the individual's labor power ends then, and if it ends more quickly, it's because they used it more intensely. It's assumed that a teacher's workday, especially in primary school, is half the standard workday because it has a higher intensity. And in the example you, Iván, are looking at, that's far from being a factor in determining teachers' salaries, at least in Argentina. So, one has to look at a whole series of specific factors, and we won't get to many of them because it goes far beyond Volume 3.

Javiera: I was struck by this idea that the capitalist generates value. Because the figure of the capitalist never appears with that kind of determination.

JIC: Because the capitalist's labor is irrelevant from capital's point of view. The function it fulfills isn't irrelevant, but it doesn't produce surplus value. Now, what will emerge is what constitutes productive labor from capital's point of view—in fact, it emerged earlier. Labor that replaces the value of labor power is unproductive from capital's point of view; it doesn't produce surplus value. The capitalist's labor, however much value it produces, is irrelevant, unproductive. Marx will acknowledge this much later… It will appear that the capitalist has a "historical right to exist." Why does he have it? Because he is the organizer of social labor performed privately and independently. That doesn't mean he valorizes capital.

Javiera: That's fine, but I meant that if it produces value, it's developing socially necessary work.

JIC: Yes. But it is unproductive from the point of view of the movement of capital.

Javiera: Yes, yes, but the capitalist does not appear as an individual who is working, who spends his labor power.

JIC: It's irrelevant. And he doesn't live off the product of his labor. He will appear completely as not producing any value, but insofar as the labor the capitalist does is socially necessary from the standpoint of the materiality of the production of use-value, it produces value, and it may be necessary. Seen in its purest form, from the standpoint of valorization, it's irrelevant whether the capitalist works or not. Marx will use the figure of the non- worker to refer to the capitalist, although it won't appear as much in *Capital. He first treats him as a non-worker in Capital;* I'm thinking of a particular section, and what emerges is that his labor is irrelevant.

Ivan: Sometimes in restaurants the capitalist is the chef himself, and that could be the current example of a capitalist who produces value because he is working and is also the owner of the business.

JIC: I would leave that for when we continue examining the role of the capitalist. Because up to this point, we have a capitalist who is simultaneously a commodity

producer; we consider him in this dual capacity. Let's see if the capitalist can act as a commodity producer alongside his workers. And I'll reiterate this: the capitalist has to embody capital in circulation, and the work he does in circulation is unproductive in terms of value. The capitalist has to supervise the worker, and this work is unproductive. Only insofar as the work the capitalist does is a condition for the material development of the production process, abstracted from its social form, can the capitalist appear as a value-producing worker.

What does Marx do by not considering it in that condition, by looking at it in the purity of its condition as a capitalist, not mixed with its possible condition as a commodity producer? What he does is allow us to see the movement of this social relation in its purest form. Who is this subject and who is the other? This is not to offer any consolation to a capitalist who also works: there, the capitalist doesn't function as a capitalist, but as a commodity producer; as a capitalist, what you do is valorize your capital. Something similar appears in Volume 1, but especially in Volume 3: functions of the capitalist that are not performed by the capitalist himself, but rather by purchasing labor power that will fulfill those functions.

Chapter VI. Constant Capital and Variable Capital

Let's turn, then, to the chapter on constant and variable capital. The first point Marx will make is that the value of the means of production reappears in the value of the product; it is transferred. Let me pause for a clarification. Why does value reappear in the product? It is the product of private labor that was once recognized as socially useful. Marx uses the example of cotton spinning. The cotton that the capitalist bought from the spinning mill was already recognized as the product of socially useful labor performed privately and independently, but only by the cotton buyer. Now there is a need for it to be recognized again as socially useful. The first reason is that it is materialized in the form of yarn, and now it has to be… It is part of the socially useful labor that materialized in the yarn. But this recognition has an additional determination, which is that the spinner changed the form of the cotton's use-value, and we must see whether, in this new form, it continues to be the product of socially useful labor performed privately and independently or not. Therefore, it is transferred to the value of the product because what is at stake is that it needs to be recognized again.

And Marx is going to make some observations that follow, which I don't want to reveal now. The value of the means of production is preserved in the value of the product, thanks to the mediation of living labor. And then what he's going to say is that the worker's labor, in a single movement, does two things:

1) It preserves the value of the means of production by transferring it to the value of the product, and this hinges on the concrete work done by the worker: if the work is done poorly, it damages the means of production and fails to transfer its value to the product. From this perspective, what matters is the concrete work performed by the worker, and this fully expresses how dead labor makes use of living labor. If the means of production are not put into contact with living labor, they lose their use-value, they decompose, and the only way to preserve their use-value, and consequently their value, is by making use of living labor.

2) The other characteristic that the worker's labor brings into play is that it produces value in and of itself. It must have produced use value, but what matters from the perspective of capital is the quantitative aspect. The concrete usefulness of the worker's labor for the capitalist is not in producing use values, but in producing surplus value. And what matters is the abstract character of labor. Here we see again the movements that were at the beginning regarding the dual character of the commodity and of commodity-producing labor.

Marx gives some examples. Two things reappear. I'm going to forget one, so I'll state it now. Living labor preserves the value of the means of production, assuming that the means of production have value because they are products of labor. The use of elements of nature as means of production, which are not filtered by labor, does not contain value; it has no way of transferring value to the product. But the other issue that will appear here in the discussion is the difference between raw materials and the instruments of production.

Raw materials consume their entire use-value each time a production process takes place, and consequently, their value appears in full in the value of the produced good. Even if a portion of the raw material is technically unavoidable and therefore missing from the final product, the value is fully transferred. However, the difference with the instruments of production is that they serve a succession of production processes, and their use-value is gradually consumed as they are used. Consequently, they transfer their value in the same proportion as they wear out with use. This creates a distinction within the means of production between raw materials and auxiliary materials, which are consumed entirely in each production cycle, and the instruments of production, whose use-value is consumed gradually.

From the perspective of the valorization process, the instrument of production is consumed in part. From the perspective of the labor process, the instrument of production must be whole and is used in its entirety. And here a disconnect arises between the capital invested in the instruments of production from the perspective of the valorization process, where they only intervene to the extent that they are consumed, and the instruments of production from the perspective of the material production process, which enter fully into each cycle of the production process. They intervene fragmentarily in the value production process. And so, the question that will emerge is: how much does the use of the instruments of production cost the capitalist? How much of that instrument do they consume? What productive forces of living human labor do they have at their disposal thanks to the full utilization of the instrument of production? And we will see this unfold further later.

He will clarify that the means of production can never transfer more value than they possess. Given this, regarding the means of production and the intervention of living labor, which cannot transform dead labor into new living labor capable of producing more value, and therefore cannot add value to the means of production, all it can do is preserve it. Where does the added value come from? The added value is to the value of the product, not to the means of production. What happens in the production process to the value of labor power, to the productive consumption by capital of the worker's labor power?

[II]

[…] We were about to delve into the consumption of labor power. What we had was this: when labor power is put into operation, it becomes living labor, and as SNALdPaI, we now have that movement. And from the point of view of value production, what we will have is that as labor power is transformed into living labor and materialized in its product, the generation of new value appears, objectified in the product, where there is no longer a simple conservation of value but rather the generation of this new value with this labor that is applied to the raw materials, to the object of labor, and adds value to that object. Here Marx will make a whole movement that I will try to summarize.

Marx reminds us why the value of labor power is determined by the commodities that the working-class family needs to consume in order to have labor power to sell. In the example, this corresponds to 6 hours of SNALdPaI (Taxes and Communities), and this value substance will necessarily be expressed in the form of a certain amount of money; Marx will use 3 shillings. I simplify this by using a monetary unit with a decimal structure.

The workday begins, its production materializes, and the day unfolds. What Marx considers is the portion of the workday that corresponds to living labor applied to the labor time necessary to reproduce labor power. He then examines the value of the product of that living labor, added to the dead labor that transferred its value to the product. What emerges is that the money the capitalist advanced by purchasing means of production and labor power did not operate as capital; it did not increase in value. Marx then uses a series of figures to illustrate how the capitalist will not be deceived this time, that instead of investing his capital in the production process, he will buy the finished product, something he abstained from doing…

Until Marx's time, the argument used in popular economics to justify the capitalist's appropriation of surplus value was abstaining from consumption. Instead of using what they had and consuming it, they invested it as capital in the valorization process. Today, this has been transformed into "waiting" to consume. One can see the similarity between Marx's ideas and the arguments used to justify the capitalist's profit: that they provided the capital, that the worker without capital cannot produce, and therefore the capitalist is entitled to a share because they provided a service to the worker by allowing them to use the means of production.

And here the term "service" appears, which Marx elaborates on extensively in both the *Grundrisse* and the drafts of *Capital* from around 1863 onward. Here he states: service is the utility provided by a use-value, whether commodity or labor. And what is at stake here is a problem of exchange-value. This is where he says: the image of the capitalist is modified... First, he posits that the capitalist oversees and works, and therefore receives a share of the product, but that at a certain point the capitalist re-evaluates himself and understands the secret behind the valorization of capital. So, what Marx will elaborate on is what happens to labor

when the workday extends beyond the labor time necessary to reproduce labor power.

The capitalist bought the worker's labor power for a day and can therefore use that labor power throughout that 12-hour workday. The worker continues working the 6 hours beyond the time necessary to reproduce their labor power, and the result is that in those additional 6 hours of work, they materialized those 6 hours in their product. We had that the product of each hour of materialized labor appeared as 3 shillings, and consequently, the product the capitalist now possesses not only contains the value of the means of production advanced and consumed, not only contains the value of labor power, but a new value has emerged that is higher than the value initially contained within it. There is surplus value; there is more value than there was initially.

It was valued in production, and at the same time, that surplus value only becomes apparent in circulation, returning to the dual unity we had at the beginning: the dual character of the commodity (use-value/value), of labor producing use-values/values. Here we have the expression of the synthesis upon completing the development of the unity of the labor process and the valorization process. We saw the concept of complex labor last time; I told you it was later on, and with this, we would have unfolded Chapter VI [115]. In the end, there is the synthesis: the capitalist production process is the unity of this labor process producing use-values and the valorization process. There will be this contrast: as a unity of the labor process and value production, this is a commodity production process. As a unity of a labor process and a valorization process, this is a capitalist production process, the capitalist form of commodity production.

Up to this point, we have discussed how surplus value is generated, how capital is valorized. Now, Marx will elaborate on the specific differences between what happens to capital invested in the means of production and what happens to capital invested in labor power. This contrast will emerge from the perspective of how the value of the product arises.

Both are part of the product's value. And what had already emerged is how the value of the means of production is transferred: it is transferred to the product's value through the mediation of living labor. What Marx argues is: but here the worker doesn't work twice, once to preserve the value of the means of production and again to generate new value. The worker preserves the value of the means of production to the extent that they add new labor, and consequently, add new value to the product. From the perspective of the value-creation process, what matters is not the concrete form of labor, but rather that it is socially necessary abstract labor. And here this dual nature of labor reappears: to preserve the value of the means of production, what matters is that the worker does not perform their concrete work poorly, failing to produce use value; otherwise, the value of the means of production used does not reappear, it is lost. But it is thanks to the abstract work of the worker that this new value is produced which up to this point replaced,

[115] It says “V” and I correct it to “VI”.

compensated for the part of the capital that had been applied to the purchase of labor power and there is a new part that implied the valorization of capital [...].

The observation arises that they cannot transfer more value than they possess, that the only way to incorporate more value through the worker's labor is by preserving the value of the means of production. And what will be the central point of development is that just as the use value of the means of production is consumed, their value is preserved: it is the same value that reappears in the value of the product.

What happens to the "subjective factor" (the only subject in the production process is the worker, the human subject who uses the means of production)? What will happen is that as this labor power is put into operation, a new value is generated, but it is generated at the expense of the disappearance of the commodity-labor power, and therefore, unlike what happens with the means of production, this commodity will be annihilated in the production process because it will be transformed from labor power, a product of the SNALdPaI, into productive activity, labor.

What we learned from Chapter IV is that labor is not the product of labor: it is productive activity, it has no inherent value; what it does is that, as it materializes in its product, it generates a new value. Here, Marx returns to what he had proposed in the previous chapter: cutting the working day down to the labor time that corresponds to the reproduction of labor power, to the value of labor power. And what will happen is that this labor power disappears, and therefore its value, and at the same time, a new value is generated to replace the value that disappeared. And up to this point, there is no valorization: an old value, embodied in a consumed use value, is simply replaced with a new value materialized in the product. If the workday continues beyond this point, where the value of labor power has already been replenished with this new value created by the worker, the worker continues to create new value with their labor, but now it corresponds to a consumption of labor power that cost the capitalist nothing. Consequently, this is where we see the generation of surplus value, the valorization process.

He returns to the contrast between the capital invested in the means of production and the capital invested in labor power, which disappears in the production process but generates new value. A portion of this new value replaces the capital invested in purchasing labor power, and as the working day extends beyond the point necessary to reproduce labor power, it continues to generate new value, which constitutes surplus value. Marx summarizes this distinction by saying: the capital invested in purchasing labor power is capital that, in its normal course, constitutes a variable quantity [variable capital]. The purpose of the expenditure on purchasing labor power is for it to produce more value than it cost. In contrast, with the means of production —which had already seen all the previous differences regarding what happened in the labor process—, in the valorization process we now look at the synthesis of what happens to the capital put into the purchase of these means of production and what is its normal movement is that its value is preserved transferred to the value of the product, and consequently that the magnitude of its value does not change [constant capital].

What Marx observes is that there can be circumstances in which the value of constant capital changes while it is already in use, and he considers both the means of labor (instruments of production) and raw materials. Its value can change depending on changes in the productivity of the labor that produces it. This doesn't occur within the production processes in which it is being used; it happens outside of those processes. And this situation arises: the value of constant capital changes at the moment it is used. What is the value that this constant capital transfers to the value of the product? It is not the value it had when the capitalist invested that capital: now those commodities have changed in value, and the value transferred to the value of the product is the value that the means of production *now possess.*

Let's suppose there was an increase in the productivity of the labor that produces a raw material, and its value was halved. Now it doesn't matter how much the capitalist who is going to use it as a means of production spent—let's say $100, and now it's worth $50. The socially necessary abstract labor required today to produce the commodity the capitalist is producing, in which the value of the means of production will reappear, does not correspond to what it cost to produce the machinery [116]when the capitalist bought it: it now corresponds to what it costs today to reproduce that machinery. And so, what we will have is this: the value of a commodity is the socially necessary abstract labor to produce it *under current social conditions,* those that prevail at any given time. And Marx will refer to this several times as the labor necessary to reproduce the commodity.

Let's suppose we're talking about bread production. The oven cost $100. Today, a technological advancement means that the same oven costs $50. It no longer transfers $100 because it's no longer available. Marx will elaborate on this point much more later, but he brings it up here to illustrate that the normal movement of constant capital is that its value doesn't change. However, due to circumstances inherent in the production process itself, it might not transfer value because the specific labor was poorly executed. But circumstances external to this production process, which change the value of that means of production—whether raw material or instrument of production—change the value of the capitalist's constant capital, regardless of what they paid, for better or for worse.

We have this possibility that constant capital transfers a quantity of value to the product that is not simply the amount advanced by the capitalist, but rather the value that those means of production have at the moment (let's assume this is immediate) when they are actually being consumed in the product and the product is being sold. Until the capital returns to the form of money, the value of constant capital is subject to changes in the value of its components. Production is complete, and we must remember that valorization occurs *in production and circulation.* Until the product is put into circulation and the money is transformed, if we consider only the issue of constant capital, the transferred value is subject to the movements that may occur in the value of the means of production. It is always what it costs to reproduce that product (to produce it again *today)*. If the most productive technique that allows for a reduction in the cost of the means of

[116]Error: we were talking about raw materials. But it's the same thing.

production is not available, until that technique is available, it is not what determines the value of the commodity. This is what it costs to reproduce the commodities *today,* which requires the availability of the new means of production. Later, we will examine a series of related issues that include the following.

The price—not the value of the commodities—if it's known that a means of production will be available and immediately incorporated into the product, and therefore that product will be cheaper because this means of production transfers half the value of the original, if this is available today, the effect on the value of the commodities is immediate. If it's known that this means of production will exist but isn't available today, it won't have an immediate effect on the value of the commodities. However, if it's materially possible to postpone consumption of those commodities, then this will begin to be reflected in the price. But only to the extent that it can be postponed; otherwise, even if it's known that tomorrow this commodities will be cheaper, if I need to consume them today, the value is determined by the possibility of their existence in circulation today. I don't know if this is more confusing or not.

If a product is currently produced under certain conditions, and it's known that tomorrow it will be produced either through increased direct labor productivity or through a reduction in the cost of its means of production, which will imply a lower value, the condition for that value to become the prevailing value is that it be available today. If it isn't available today but will be available tomorrow, and it's possible to wait until tomorrow to consume that commodity, what will happen is that the social demand for this commodity will decrease. As the demand decreases and there's a surplus of what was produced today, it will be sold below its *current* value. But this is a transition toward the new value that tomorrow will correspond to the increased labor productivity applied directly to this production, or to the reduction in the cost of the means of production. Therefore, reproducing it doesn't simply mean that it will be reproduced tomorrow under these conditions; it means that it can be produced today using this new technique. And this is the central difference in price movements.

The classic example is the price of agricultural commodities, which, being subject to these seasonal conditions, means that labor is concentrated at a specific time of year, but consumption occurs throughout the year. The value remains the same, but if it is known that labor productivity will rise and the value of the commodity will fall, then, as consumption can be postponed, the price begins to fall, *not the value of the commodity. Value.* And if it's known that labor productivity is going to fall and therefore value is going to rise, what happens is that people start bringing forward consumption or a compelling social need arises that tries to buy now, and then the price will start to rise above what has been the value up to this point, because the day the new harvest comes in, the value will either fall or rise. If it's being sold below value, it's in excess of the compelling social need that was normal up to this point and that now has a new determining factor: that consumption will be brought forward or postponed based on what is known to be happening to the value of this commodity at a certain time.

I always make this distinction. There's normality and the *movement* of normality. Normality is moving toward (a term that's fashionable now [117]) the "new normal" that will prevail. What we're observing is how it transitions from one to the other, but the value itself hasn't changed: what happens is that it starts selling above or below its value, depending on whether consumption can be brought forward or—more markedly—postponed. Because if it has to be consumed and can't be postponed, then the price won't fall, because the underlying social need will remain just as strong. This means there's always some possibility of bringing forward or postponing consumption, and also in these commodities that have seasonal production, where labor productivity fluctuates from year to year, normally at the end of one year there's some of the previous year's product left over, which also creates a surplus or shortage, and all this concrete movement exists. The concrete movement of price is not the concrete movement of value.

What isn't mentioned here (because Marx doesn't use the cost of reproducing a commodity here; that will come up later), but based on the idea that value is determined by the socially necessary abstract labor required to reproduce a commodity, has led to a whole series of arguments about commodities that cannot be reproduced, that are unique. I'll leave that for later, but that's not the point of "reproducing" a commodity: it's how much it costs to produce it again today. From this arises the argument that since some commodities cannot be reproduced, they have no value.

If you'd like, let's move on to Chapter VII, which deals with the rate of surplus value, the expression of the valorization capacity of variable capital. What I want to emphasize, in summary, is this: there is an essential difference between what happens with constant capital and what happens with variable capital. Constant capital retains its value; there is no generation of new value. It is dead labor, which, as a capacity to produce value, cannot multiply itself. What happens is that its value, if the concrete living labor is well done, reappears in the product. Variable capital is annihilated in the labor process; it disappears because the worker's labor power disappears. The commodity is consumed and vanishes. But as the worker transforms his labor power into labor, he materializes that labor in the product, generating a new value that is materialized in the product, part of which replaces the value of labor power; it is a value that did not exist before but what it does is replace the value that was annihilated from labor power, and the other part generates that new value which is surplus value.

And this distinction, for me, can be expressed in terms of… Seeing how evident this is from the point of view of the concrete movement of capital, of practical consciousness, is that universally there exists a tax called “value-added tax,” and this is a tax on new value. And how is this tax calculated? The value of the means of production used, the constant capital consumed, is subtracted from the value of the product. This acknowledges that there is no generation of value there, that the value added to the product originates entirely in the present production process. Of course, the practical consciousness of the capitalist mode of production then fails to distinguish that one part corresponded to paid labor and the other to

[117] Reference to the post-lockdown period in the context of the 2020 Pandemic.

surplus value. But what is being acknowledged is that the value of variable capital has disappeared and there is a new value (a part of it) that comes to replace it. But the tax is not calculated by saying that the value of the means of production (and I'm going to put it in terms of the concrete movement) and the wages must be subtracted from the value of the product because it is clear that what was paid as wages disappeared as a substance that had value and now what appeared is a new value.

Chapter VII. The Rate of Surplus Value

1. The degree of exploitation of the workforce.

Let's continue with the rate of surplus value. Marx will examine the difference between the capital with which the movement began and the capitalist's total capital… He will begin to use symbols that will become widespread throughout the rest of his work: " *c* " for constant capital consumed, " *v* " for variable capital, since what was advanced is always consumed, and " *C* " for total capital. But also, here, the capital disbursed will appear… it will emerge in the unfolding. Later, it will appear as an expression of the capital disbursed: $C = c + v$, *which is strictly* valid only if all the constant capital disbursed is fully consumed each time it is used.

We have this disbursed, advanced capital, which is put to valorization, and the result of its valorization: valorized capital (C'). But we have already seen that constant capital does not contribute to the valorization process. And that the only part of capital that generates more value is variable capital, and that therefore, in the value of valorized capital, now in addition to the constant capital that was consumed plus the variable capital, there is a new element, a new portion of value: surplus value [*p*]. Then there is a whole series of manipulations that I will refrain from going into. The key to the valorization of variable capital lies in the relationship between surplus value and the variable capital that generated it.

He will propose a second relationship of extremely significant practical importance: the relationship between surplus value and total capital. What Marx will argue is that this is the rate of profit. But if one still hasn't answered the question of the relationship between surplus value and the portion of capital that generates it—how, consequently, that portion of capital acts as the subject of its own valorization while the other part is a condition for it to act as a subject but remains inert—the first thing to do is to examine the relationship between surplus value and the circulation that generated it. And so, he will look at this rate of surplus value, the relationship between surplus value and variable capital.

Since variable capital corresponds to the value of the workers' means of subsistence, the portion of the workday that the worker spends replacing the value of variable capital is what corresponds to the *labor necessary* to reproduce labor power. And here another aspect of necessary labor emerges: it is no longer simply the labor necessary to produce the commodity, but to reproduce labor power. One must always carefully consider which of the two terms of necessary labor will appear. And up to this point, up to the portion of the workday in which the worker produces new value that replaces the value of variable capital, what we have is a process of reproduction of total capital: it is the same value that existed at the beginning. What transcends this time of labor necessary to reproduce labor power is what will appear as surplus labor. And now what we will have is that this same relationship we saw earlier, the rate of surplus value, shows us what proportion of time is extracted from the worker without compensation, producing more value than the cost of their labor power.

Marx is going to make an observation here. I'll come back to this later, but first I want to complete the points raised here. Here Marx begins to draw a contrast between the worker and the slave, where the difference between the two lies in the way each of these direct producers is forced to produce surplus labor. And consequently, if they produce surplus labor and generate more value than they received in return, what we will have before us is that the rate of labor (or rate of production) is "the exact expression of the *degree of*[118]surplus labor. *" of exploitation "The purchase of labor power by capital,* or the worker by the capitalist [119]," and here is the summary of the content inherent in the buying and selling of labor power for its value. He will then provide various examples and a summary of each.

2. Representation of the value of the product in proportional parts of the product itself.

When one had the value of the commodity, which can now be analyzed, it's not that the value is composed of the sum of these three parts (constant capital, variable capital, and surplus value); the value remains the amount of SNALdPaI that was spent in producing the commodity. But what he's going to say is: *analytically,* by destroying the organic nature of the determination of value as SNALdPaI, one can decompose it into three parts, and these appear as components that make up the value of the product. And this will play a central role. We will not see it in Volume 1, then in its full development in Volume 2 and Volume 3, but here appears for the first time this splitting in which one can look at the value of the commodity [...] [120]socially necessary, or one can look at the value of the commodity and therefore the product as if it were broken down into a part that replaces constant capital, another part that replaces variable capital, surplus value, and that then the total mass of the product is divided into these three parts.

Let me put it this way: I have a product value of 100 and I have 100 units of product, and let's assume it's **3/4 + 3/4 + 3/4.** In this total product mass of 100 units, I have a value of 100. I can look at each unit of product and say: this unit of product contains **3/4 of its value as constant capital, another 3/4** as variable capital, another **3/4** as non-variable capital, and so on. Surplus value. Or I can take the total product of 100 and say: **33.33** units are all constant capital, **33** are only variable capital, and **33** units are only surplus value. And I will always have this dual way in which value manifests itself in the total mass of product. That will play a substantial role in the development that follows; up to this point, it is simply marked like this.

[118]JIC says “exploitation rate”.
[119]Marx, K. (1977: 165), *Capital,* Volume 1. Mexico City: FCE.
[120]There is a cut in the recording.

3. Senior's "last hour".

[… and...]

4. The surplus product.

And he will criticize Senior's argument. Marx begins with an ironic comment about Senior, saying that the industrialists took him from Oxford to Manchester not to teach, but to learn. Senior calculates that only the last hour of work produces net profit, and Marx demonstrates how this is false. He concludes [Point 4] with the summary that necessary labor plus surplus labor equals the absolute magnitude of labor time, that is, the working day.

What one must bear in mind here is this: it's not that the work is divided, but rather that this is how the total duration of the working day is *generated.* There is an essential difference between Marx's approach and Ricardo's development, to which Marx will refer (at the end of Volume 3 he will make a reference). If one views the working day as divided into necessary and surplus labor time (as Ricardo sees it, and as appears in the Ricardian viewpoint regarding the exploitation of the worker), and a portion is paid to the worker and a portion is not, then the capitalist's profit is a deduction from the product of the worker's labor (the Ricardian viewpoint when discussing exploitation): the worker is exploited because they are not paid the full product of their labor.

What Marx is arguing is this: it's not that the worker has a portion of what they produce taken away, but rather that the worker is forced to work beyond the time necessary to reproduce themselves. Viewing exploitation as a problem of distribution naturalizes the working day inherent in the capitalist mode of production, which contains surplus labor. And then, when one examines its development, the opposite emerges: necessary labor time is what is needed to reproduce the worker; the rest of the time is exploited because the worker is forced to work more than necessary. There is a substantial difference between Ricardian explanations, where exploitation appears, and the development we are examining here.

Javiera: When you say that the worker works 8 hours, 4 to replenish his labor power and another 4 are surplus, there you are making a division, right?

JIC: Then he uses the term "it is divided" and all that (besides, when you calculate the rate of surplus value, you are dividing, you are establishing a relationship that is a division), but what I wanted to emphasize with this is that there isn't a division of a unit, but rather a *generation* of the unit, part of which goes to the worker and another part to the capitalist. Because if you simply look at it as a division, it seems as if there is a whole from which you start and have to fragment it. Later I will use the term "it is divided," but what I want to emphasize is that it is comprised of these *two moments.* As the working day lengthens, one moment is generated first, and then the second; there is no prior unity. Because

then the exploitation of the worker in the capitalist mode of production would be a problem of distribution. And what Marx emphasizes (in this chapter at the end of Volume 3) is that it is not a problem of the distribution of the product of social labor, but of how social labor is organized.

Javiera: I understand the criticism, but I don't think that saying he is exploited because part of his work is taken away is a reference to something about distribution... The worker is indeed exploited for that reason.

JIC: No, he's exploited because he's *forced* to work more than necessary to reproduce himself. Previously, distribution was seen as if a portion of what he produced was taken away, and what needed to be done was to return what he produced. No: he *was forced to* work more than necessary to reproduce himself, and that's why he's exploited. That's the difference.

Some say that Marx got the idea of surplus value from Ricardo, but it's the opposite. The first to mention that parts of the product of labor are deducted was Smith, who said: rent is the first deduction from the product of labor, and profit is the second. Later, realizing that this lends itself to the argument, "So he's being exploited because parts of what he produces are taken from him," he developed another explanation stating that wages are the only product of labor, while profit and rent are not. But here there's a substantial difference. The nature of exploitation, I repeat, is not a problem of distribution but of the way social production is organized. It is in this distribution that the worker doesn't receive the full product of his labor, but that's the form, not the content, of exploitation.

Marx later refers to the exploitation of labor power by capital, and the worker by the capitalist. What issues does this entail? What Marx doesn't emphasize here, but which, when you read it, brings to mind the end of Chapter IV, which dealt with the forms that the buying and selling of labor power takes in circulation. And what Marx argued there is: this is the realm of the rights of man: freedom, equality, private property, and self-interest. And this is where the vulgar economist will look for the secret of the movement of capital. But the problem is that when we looked at it in terms of circulation, this didn't have an explanation; we had to look at the movement of capital where there was a qualitative difference, which was when it passed through the form of a commodity, and there had to be a commodity that produced more value than it cost (labor power). And we looked at the conditions of the buying and selling of labor power, etc., and the chapter closed by saying: now we have to move beyond circulation and go to production.

When we enter the realm of production and arrive at the point where Marx summarizes the issue by saying: labor power is exploited by capital... What he presents us with is that production revealed something that seemed impossible when we looked at circulation: there, equality prevails because equivalents are exchanged. And now, when we look at production, what we find is that, under the guise of the exchange of equivalents, the worker gives more labor than he receives in return, materialized in his means of subsistence. And that, therefore, under the guise of an exchange of equivalents, what is inherent is a lack of equivalence. And

consequently, what is inherent is the exploitation of labor power by capital, *or* of the worker by the capitalist.

And so we have this first evidence of the four appearances of circulation. Equality prevails, and this exchange of equivalents contains exploitation. It's not that the worker is exploited because they don't sell their commodity at its full value, but rather because they sell their labor power at its value. If they sell it for less, they will be more exploited, because for a portion of what would have been the necessary working day, the worker will not receive the full value of what they produce during that part of the day, and the rate of surplus value will be higher. But in normal circumstances, in what (I'm going to use two expressions) is one of the origins of political economy, which is the problem of the "just price," the exchange of commodities for their value, the "just price" of labor power is the exploitation of the worker by capital (I'll explain later why I summarize it this way and don't say "by the capitalist").

This has a concrete manifestation, which in the case of Argentina has played a political role in its history, and we no longer even have the illusion of it, but it appears in terms of what “social justice” is and what was achieved when 50% of the product was appropriated by the workers and 50% by the capitalists or whoever else. That implies a 100% rate of surplus value: the workers work half the day for themselves and half for capital. And that is seen and longed for as the reign of social justice, because after that, there is no more 50/50.

Therefore, it's not a problem of distribution; one has to view it as exploitation that arises from working more than is socially necessary to reproduce that labor power. And so, for me, it's central—I always emphasize this in workshops and courses—that the content of the first appearance in circulation has been revealed. The appearance persists that freedom reigns, that private property based on one's own labor reigns, that self-interest reigns. But what is clear is that equality reigns. And *that is why the worker is exploited.*

Why do I have a certain resistance to accepting what Marx proposes here, that labor power is exploited by capital, or that the worker is exploited by the capitalist? I summarize it by saying that the worker is exploited by capital, which is a social relation. It seems strange that a social relation could be capable of being exploitative in and of itself. But one must remember that we saw capital as the concrete subject of this process of social life, of this way of organizing social production and consumption. And when one posits that labor power is exploited by capital, a social relation emerges that is exploiting what, so to speak, doesn't appear as a subject: because the worker is the subject in the materiality of the labor process; it is not their labor power that is the subject, but the worker who expends their labor power. And if one reduces it to the worker being exploited by the capitalist, one is erasing the specific fact that the capitalist is not the subject of this way of organizing social life (as we saw in Chapter IV): he is merely the personification of this social relationship. Every time I talk about this, I will inevitably say that the worker is exploited by capital, because it is not a *personal problem* of the capitalist, unlike the slave who is exploited by the master (it is a bond of personal dependence; the subject of exploitation is the master). The

subject of the worker's exploitation is capital; what the capitalist does is act as the consciousness and will of that subject.

Next, we'll see what happens to the capitalist in his capacity as a subject who embodies, not as the concrete subject of, the content of the process, which is capital. The content of this process, in turn, is that it is a process of human life, right? And therefore, the subject is the human being. But the inversion that occurs, which we saw at the beginning, between subject and object with the commodity, is here in its fullest form. We've already seen how capital uses living labor to preserve its value and increase its value; it is dead labor that makes use of living labor. The inversion between subject and object is fully developed.

Javiera: I had some doubt when you said that the worker is exploited by capital.

JIC: It sounds strange, because it's their own social relationship. But to say that labor power is exploited by capital, when it's not a social relationship, but rather the capacity to work, which would then be exploited by a social relationship... that's not very fluid either. The image that the subject of exploitation is the capitalist emerges very strongly, which can fuel the reduction of this investment, the idea that the problem is with the capitalist as a subject and not as a personification. Then the image appears that the capitalist is an individual lacking solidarity, as if it were a personal attribute that explains the existence of exploitation. But no: the capitalist is not in solidarity *because It is* the personification of capital. That's why I prefer to refer to it as… The worker, who is a human being, is forced to work. And this is his own social relation; capital is not a misfortune that fell from the sky, it is the social relation between the capitalist and the worker. It is the way in which the worker participates in the organization of his social life process. As soon as it appeared here, all the concrete determinations of why he is the bearer of this social relation will later emerge.

Gabriel: […] Does dead labor have the power to produce value? In a future where automation means that the worker is no longer the generalized source of value…

JIC: One has to start again from the beginning: this is the process of human life, of metabolism, which is sustained by work. Work has both an individual and a social character, as does consumption. The organization of each cycle of the metabolic process is the unity between these dual characteristics, the unity between social production and consumption. From the point of view of the unity of the social metabolic process, organizing the production process means assigning to each member of society what specific useful work they will do for others, and consequently, what product of the specific useful work done by others will be allocated to them for consumption.

In the capitalist mode of production, there is no direct allocation based on personal dependency. There is an indirect allocation which, in its simplest form, means that at the start of each production cycle, the only social relationship between the individual productive organs of society is that each person possesses a share of society's total labor capacity to perform work in general. And each

person allocates that share in a specific, useful form privately and independently. Consequently, the unity between social production and consumption is established indirectly through the representation of total labor capacity as the value of commodities. Therefore, what is always at stake in the movement of value creation is the allocation of living labor.

The allocation of living labor entails the allocation to each productive member of society of the means of production necessary to perform their work. This allocation is driven by the generation of value, which dictates how the means of production will be assigned. These means of production are initially assigned as products of previous, concrete, useful labor (because they have already been recognized as commodities), but their materiality is now transformed. It must be determined whether, under this transformed materiality, the previous labor will be recognized as socially useful in this new material form. This is why value is transferred to the value of the product.

The problem is how living labor is allocated, not how dead labor is allocated. Value is a social relation between people that takes the form of no social relation between people, but rather between things. The only subject of the human social metabolism process is human beings. The means of production are not subjects, they are means. What is the inversion? That these means appear inverted as if they were the material form of the subject and as if subjects were nothing more than the objects that the subject uses. But that is the inversion, not the content of this social relation.

Therefore, value only exists where there is living labor. Where there is no living labor (it would be necessary to examine whether human life exists without the productive expenditure of the human body), means of production would have to be allocated, and even if these were allocated privately, all that would happen is that they would transfer their value to the product, assuming such a thing could exist. There is no living subject there, no production of value; it would be a movement of value, a production process without a subject: only means. It is debatable whether a production process can develop solely with means of production without a productive subject to whom the specific useful work of that productive subject, who will make use of these means of production, must be assigned. All of this will become clearer as we move forward next year.

What is happening to the materiality of labor, what form is human labor taking? We must consider that Marx begins with the work of a private and independent producer, the private owner of their own means of production, who now *seems to* have split into the figures of the capitalist and the worker. But when we look at the productive attributes of the worker and the value of labor power, it appears that what we knew in the work of the independent commodity producer is the same as if they had transformed into a worker selling their labor power: they continue consuming the same things as before, they continue working in the same way, only now they do so under the control of the capitalist; they no longer have full control over their individual labor. They retain control as a free individual, but they do not have full control because a part of it has passed into the personification of capital, which is the capitalist. [...]

[II]

[General outline of the valorization process]

$$\rightarrow M - C \begin{cases} LP \\ MP \end{cases} \ldots P \ldots C' - M' \leftarrow$$

[5:15] This is a scheme that Marx will explain in Volume 2, but it describes what we've been seeing and is extremely useful for the presentation. It's the opening of the movement that Marx will put D — M, which becomes labor power (LP) and means of production (MP) that leave circulation; and there is the production process (P), which develops and ends, and as a production process done privately and independently, what it produced are commodities, which, as we've already seen, are governed by the production of surplus value (*p)*, which can only arise from the consumption of the use-value of a commodity whose use-value is to produce more value than it costs; And that, consequently, in circulation equivalents are exchanged, and valorization arises in the production process and at the same time is realized in the circulation process with the sale of the commodity for its increased value (M'), and the restart of the movement that ended in the same form in which it began (D'), is the general social relation objectified, and is set in motion again.

$$\overset{\$4 \quad \$4 \quad \$4}{\rightarrow M - C \begin{cases} LP \\ MP \end{cases} \ldots P \ldots C' - M' \leftarrow}$$

Instead of 12 hours, I'm going to use a more moderate approach. Let's assume that to produce the means of subsistence needed by a working-class family to have labor power to sell—here we're considering the simplest scenario: a single seller of labor power in the family—4 hours of labor are required, that the value produced in 1 hour of labor is expressed as $1 (peso), and that consequently the value of labor power will be $4. In this scenario, we have the expenditure of $4 for the purchase of labor power. And we have this breakdown, which is where I later have a problem, that it's not quite right, but let's see if it continues.

$0 ← 4h PT
$0 ← 1h PT 8va hora 1hT → $1
$0 ← 1h PT 7ma hora 1hT → $1
$0 ← 1h PT 6ta hora 1hT → $1
$0 ← 1h PT 5ta hora 1hT → $1
4hT → $4
p
$4 ← 4h PT
$1 ← 1h PT 4ta hora 1hT → $1
$1 ← 1h PT 3era hora 1hT → $1
$1 ← 1h PT 2da hora 1hT → $1
$1 ← 1h PT 1era hora 1hT → $1
4hT → $4
v

What happens in the first hour of the workday? The worker consumed one hour of labor power, which is no longer in his body. This power represented the capacity to produce a value of $1, but because he actually worked and productively expended his labor power, in that hour he produced a new value materialized in his product, corresponding to $1. If we look at the second hour of work, the worker again had the capacity to produce a value of $1 [...] [121]. And what we have is that the worker's body once had the capacity to produce a value of $4. That capacity is no longer in the worker's body, but it has been objectified in the product as a new value of $4. And if we return to the diagram, what we see is that his product is put into circulation, sold for its value, and that money did not function as capital. And this is what Marx will present in outline when he develops the theory (he does it over 6 hours), when the capitalist appears indignant because he has been cheated and risked his capital and receives nothing.

What I want to elaborate on a bit more, which I don't recall having discussed when we looked at the chapter, is the condition for the production of surplus value. Because here, everything the worker produced (let's assume the entire workday is 4 hours), their labor power cost $4, they worked 4 hours and produced a new value of $4 that replaces what the capitalist had initially invested. What is the material condition for the valorization of capital to be possible? And that condition isn't specific to the capitalist mode of production, but rather a general condition for an individual to be able to work without receiving anything in return from another.

And I usually illustrate this with the example of a father or mother who has to produce for themselves and their children. Let's say they work four hours, exhausting their labor power, and what they will have produced is the output of those four hours, which is what they need to consume to regain their labor power. They work another four hours, they have a product, but it's what they have to consume to work another four hours. Under these conditions, this person can never work without something in return for someone else, whether it's their child, the capitalist, the employer, etc. There's a fundamental technical condition for this kind of work to take place without something in return, and Marx illustrates it with the example of birds that would have to go without nests if building them took as long as the nests themselves: the condition is that labor productivity must be high enough so that with the output of *one part* of the workday, the individual is able to work a longer day.

If an individual produces enough output during their workday to simply replace the labor power they expended, then they can never work without compensation for another. They can work with compensation: the output of two hours of their labor might be for them, and the output of another two hours might be for another individual, who in turn worked four hours—two for themselves and two for the other. But what's at stake here is that more value is produced than was initially invested, and consequently, the amount of labor materialized in the output is greater than the amount embodied in the labor power.

[121]JIC continues until the synthesis of the first 4 hours of his workday.

If we look at the initial scenario, let's assume that with the product of 4 hours of labor, the worker is now able to work an 8-hour shift. Then, if we look at the subsequent movement, the worker no longer possesses the labor power capable of producing $4, but has produced a new value of $4 that covers the value of their labor power. And yet, their body retains the capacity to continue working, and in the 5th hour, they apply another hour of labor power, which materializes in their product, generating a new value of $1. But now, from the capitalist's point of view, having this hour of labor power available cost them nothing. As the workday continues, the worker continues to consume their labor power, which is no longer in their body, but continues to be objectified in a new use-value bearing the value corresponding to 1 hour of labor ($1). But because they have this hour of labor power available, the capitalist didn't have to spend anything. With the 6th hour we have the same thing [...] [122].

$0 ← 4h-FT
$0 ← 1h-FT 8ª hora 1hT → $1
$0 ← 1h-FT 7ª hora 1hT → $1
$0 ← 1h-FT 6ª hora 1hT → $1
$0 ← 1h-FT 5ª hora 1hT → $1
4hT → $4
p
$4 ← 4h-FT
$1 ← 1h-FT 4ª hora 1hT → $1
$1 ← 1h-FT 3ª hora 1hT → $1
$1 ← 1h-FT 2ª hora 1hT → $1
$1 ← 1h-FT 1ª hora 1hT → $1
4hT → $4
v

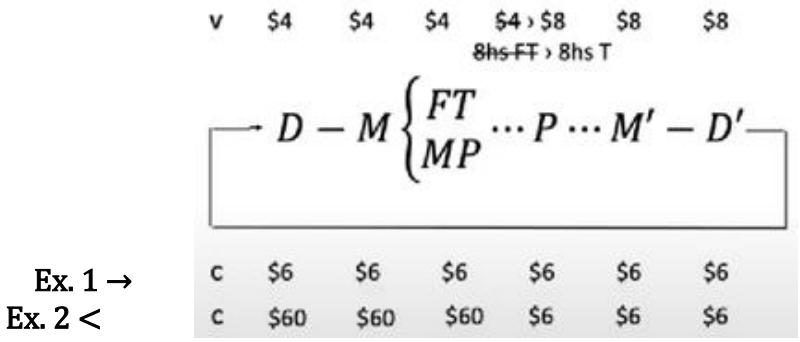
And here we have what we were looking at, and which Marx returns to in the last chapter, which is the division between necessary labor and surplus labor, the production of a new value that replaces the value of labor power, and the production of a new value that has no counterpart. And here, if we look at the cycle, what we see is this: the worker consumed 8 hours of labor power that cost capital $4. Since there is no more labor power in the worker's body, this $4 no longer exists, but since the worker worked 8 hours and produced a new value equivalent to the materialization of 8 hours of labor, and this is expressed as $8, when this $8 is generated in production, it is materialized in M', it is put into circulation and sold for its value, which is $8, and here capital is valorized, where what Marx will refer to as value (variable capital) appears because what is expected of this magnitude is that it acts as a progressive, variable magnitude. In this little diagram, what we have is: in the first 4 hours the worker replaces the value that no longer exists because the labor power is not in the worker's body, and produces this new value without a counterpart, which is *p,* and what we have is the rate of surplus value as an expression of the valorization of *v:*

$$p' = \frac{p}{v}$$

The surplus value on variable capital, the surplus labor on necessary labor, the surplus product (its material content) on the product necessary to reproduce labor power. And this is where we see that, under the guise of the exchange of

[122] And so on until the 8th. I'll put the diagram from above again.

equivalents, what is concealed is the exploitation of labor power by capital, of the worker by the capitalist.



This is the scheme of the movement of constant capital (*c)*, which in the first example is considered as constant capital invested in raw materials whose use-value is *entirely consumed* [in P] each time it is entirely transformed into the new product. Consequently, the value of that *c* [$6], provided that the living labor is well done, is preserved by transferring it to the value of the product. The second example is the case of a production instrument whose use-value is *gradually consumed* over a series of production cycles—here, 10 cycles are assumed—and each time it is used, it transfers 1/10 of its value to the value *of the product,* which would be $20 [123]. The *value product,* the new value that was produced, is these $8 [above the scheme, on the right]. Of these, $4 are intended to replace the value that was annihilated in the production process, and $4 constitute *p.* This was the simplified scheme of what we were developing.

$$g' = \frac{p}{v + c}$$

What we have here is the expression that Marx also takes, not from the rate of surplus value but from the rate of profit: the relationship between *p* and circulation (*v + c)*, the total capital that was advanced, that was set in motion to valorize itself. Marx is going to make some observations on the relationship between the rate of surplus value and the rate of *profit,* which we touched on, and I don't remember if at the end there's something about the rate and the mass of *p* ... [Chapter IX] It's a very short chapter; I'm skipping the one on the working day [Chapter VIII] because we're going to look at it now.

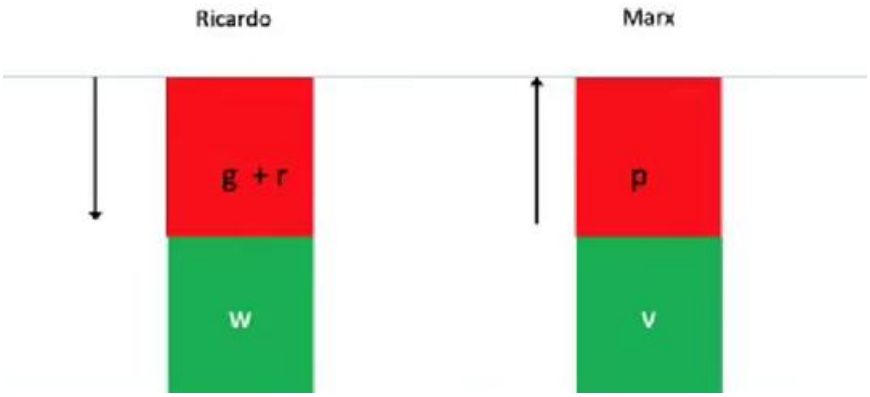
[123]From what he says, I gather that he has the $6 worth of raw materials from the first case:

$6 (*raw material)* + $6 (1/10 *instrument of T)* = $12 *c + $8 new* value = $20 *product* value.

Chapter IX. Rate and mass of surplus value.[124]

$$p' = \frac{p}{v}$$

And when he looks at the movements of the rate of *p,* the first observation he makes is that it's false to compute the relationship between surplus value—that is, between surplus labor and the sum of total living labor—as if it were a fraction of the working day. Expressing what proportion of the product of living labor belongs to the capitalist and what proportion belongs to the worker makes the exploitation of the worker by capital appear as if it were a matter of distribution. There is a new value, the product of the entire working day *(p + v)*, and then each fragment is related (necessary labor or *v,* surplus labor or *p)*[125]; it seems like a problem of how that total product is distributed. And here there is a substantial difference between Ricardo's approach (not in those terms; actually, Adam Smith begins to formulate it)... […] [126]:



I bring up Ricardo because there are those who claim to be Ricardian and talk about exploitation. But in reality, development is implicit in an explanation Smith gives about what happens to the total product and how it is appropriated. And that explanation includes this: w It is the product of value, the new value that was generated. In Smith's explanation, which Ricardo will adopt, all the "exchange value" of the commodity is a product of labor. And what Smith will say is that two parts are deducted from the product of labor: 1) profit on capital and 2) land rent. And that consequently, what remains for the worker is the residue of the deduction of g + r When Smith finishes making that argument, he is appalled by what he himself has said and makes another argument that clashes with that one, saying that here there are 3 independent components, that each of them has a natural

[124]It is ahead of Chapter VIII, which develops it further below.

[125]" *v*" and " *p*" are the value expression of necessary labor and surplus labor.

[126]He realizes that he's repeating himself, but that we didn't see the outline and he's going to show it.

price and that when they are added together the value of the commodity is obtained: 1) rate of wages, 2) rate of profit and 3) rate of rent.

And he will arrive at the contradiction of saying, when he looks at this [The entire column], that everything is a product of labor, and the worker does not receive the full product of his labor [w (explanation 1). When he looks at the 2nd one, he's going to say: only w It is the product of work, g + r They are not. This is how Ricardians explain exploitation: it's a problem of income distribution. Those who go further in this argument say that income distribution depends on class struggle and that the problem in society is one of distribution. Dividing it this way means that the red side corresponds to capitalists and landowners, and the green side to workers.

Marx's approach is completely different. He begins by saying: this is the job necessary, the amount of work the worker has to perform to sustain their life. And it's not that something is deducted from their pay; they are forced to continue working. day surplus It's not a problem of distribution, because it doesn't start from a naturally given product, but rather arrives at that product through the exploitation of the worker by capital, through the extension of the worker's working day. This is implicit in the scheme with which Marx begins Chapter VIII, "The Working Day," where he establishes that there is necessary labor that extends to a certain point, or further, or even more... But it's not a working day divided *into* two parts; it doesn't exist as a starting unit: it *consists* of necessary labor time and time worked for free by capital, in which surplus value is produced. Arguments arise that, based on this, claim that the problem is one of distribution, and that as wages continue to rise, the worker will cease to be exploited and the capitalist mode of production will end. And in Marx's development it is not a problem of distribution: exploitation is inherent to the capitalist mode of production, it is based on the prolongation of the working day, on the development of surplus labor, not on a deduction of a part of the product of labor.

Edgardo: Some argue that exploitation in the capitalist mode of production is equivalent to theft, that capital or the capitalist steals a portion of the value generated by the worker. It seems to me that this puts it in terms of distribution; it sounds similar to the Ricardian theory. But I recall that, in a section of the *Grundrisse,* Marx says that the basis of bourgeois production is not theft of the product, the theft of the value generated by the worker, but rather the theft of other people's labor time when the worker is forced to work beyond the necessary labor time.

JIC: Yes... The term “theft” to explain this is a term that actually appeared in Proudhon (private property is theft), and Marx criticizes it: it appears as a moral condemnation, theft in the world of individuals who see themselves as naturally free, private owners of their own means of production, who organize their social labor privately and independently; the only source of appropriation of the product is through labor. We discussed this when we looked at Chapter IV; Marx addresses it in: private property, from the rights of man proclaimed by the French Revolution.

Thus, theft, in contrast to the abstract naturalization of the free individual, appears as an attack on the very nature of freedom. And since the relationship of social interdependence is presented as external and must be incorporated into individual subjectivity—because it cannot simply be governed externally but must be carried within each person's subjectivity—what emerges is the representation of this social bond in ethics and the incorporation of that representation into morality. The term "theft" appears as if it were a moral problem, problems of a free conscience that does not recognize itself in its alienated condition; its social relations are presented to it in the form of morality. It is a term that lends itself to being emptied of meaning.

When we get to Volume 3, a whole discussion emerges concerning the form that the value of commodities takes as a product of capital, and the form that *p takes* as *g.* There, a series of arguments, based on forcing determinations, claim that Marx erred in developing his theory on a concrete form, [...] that when the model of the concrete form cannot satisfy the assumptions and criteria upon which it is based, even though it could satisfy them in a simpler form, that model is false or redundant, and consequently, Chapter I of *Capital* is flawed and useless. An article appeared in a Marxist journal called *Capital & Class* when this discussion was at its height (1980s-90s), arguing that Marx had to be freed from this error of positing the determinations of value by socially necessary abstract labor, that this had been shown to be trivial, redundant, or false, and that Marx had to be liberated from his entire development of value. And what remained? The moral condemnation of capitalism. And if there's one thing missing from the development of *Capital,* beyond Marx's outburst against the concrete forms of the capitalist mode of production—which makes it very difficult to remain calm, and where an expression of horror and rejection appears in the face of what lies before him—well, this Marxist author argues that the only thing to retain from Marx is that condemnation of Marx. And so the use of the term "theft" appears as part of that moral condemnation. That's why I don't think it's a good term; it's not rigorous in relation to what he's dealing with.

And it's clear that for Marx, this idea of "theft" didn't pose a moral problem. What it does pose is a problem of the form the social relationship takes, where it's headed, and who the subject of that social relationship is. Now, he uses the term. And my position is that when one encounters a term, a development, whatever it may be... one must always subject to critique the development that is the product of social labor and has an objectified existence, as is the case with Marx's texts, precisely by demanding that they account for what one is facing in the real movement. It's not a problem of interpreting what's in the text, but of knowing for oneself, armed with the development presented in the text, in a process of recognition from a social point of view, understanding the determinations of one's own subjectivity.

In that process, when one of these arguments arises, it must be subjected to critique, especially at the end... One might say: it's a harmless argument, not rigorous, it's clear what he meant... But it lends itself to being used precisely to make Marx say the opposite of what his development actually entails. It's not valid to say: “Marx said *a,* but he meant *z*”: what he said is what he said. The problem lies

in the concrete situation one is facing and whether it can be appropriated in a process of recognition from a social perspective because Marx's development allows for its efficient reproduction, or whether the concrete situation one is facing doesn't correspond to Marx's development, and then one has to produce knowledge that is new, original, from a social point of view.

In my book, *Knowing Capital Today: Using Capital Critically*, I added an observation to the previous edition regarding Marx's exposition as he progresses in discovering the substance of value, the SNALdPaI. There is an externality in the presentation, an assertion, not an explanation of why. If we look at the commodity and abstract it from all its physical qualities that make it a use-value, all that remains is that it is a product of human labor. And if we also empty that human labor of its qualities, it becomes abstract human labor.

This (and it has immediate and marked political significance in Argentina, and I believe in the world today) is what one of the founders of the Austrian School, Von Bawerk, seized upon to say: Marx took labor, but there are a multitude of qualities that commodities possess, so why labor? One could also say: if you abstract away all the concrete qualities, the only thing left for a commodity is its general usefulness, its general scarcity, and that would be the quality that must be taken as the determinant of value. The Austrian School was in decline for many years; even within the most vulgar political economy, it was seen as a kind of "poor relation" that didn't have much of a place. And in the 1970s, it began to gain considerable momentum (one must consider the Pinochet dictatorship, Hayek and Mises collaborating on the economic plan in Chile and Brazil), and today it forms the basis for these individuals who emerge with their discourse.

For me, that form of exposition that Marx uses, which doesn't prevent me from grasping the development, but which serves to question that development, seems to me to require critical examination. And in fact, when we did the accompanying analysis, we first followed the development as it appears in Chapter I, and then we developed a different approach: I have to question the quality; I can't directly state that this is the quality it possesses. And the same thing happens when Marx asserts that only the products of private labor have value; this is also an external assertion that serves to obscure, within Marxism itself, the fact that what is specific to labor in the capitalist mode of production is that it is social labor performed privately and independently, because it appears as if it were an observation and not an unfolding of reason. The unfolding is much more complex, and so that complexity is used to obscure it.

Chapter VIII. The working day.[127]

[…] I had told them to note that the style of exposition in Chapter VIII is markedly different, except for part of the first section. There is a very extensive discussion of concrete forms related to the length of the working day. And given the value of the worker's labor power, given the productivity of the worker's labor (already established in the development of the material conditions of the labor process for capital), given the intensity of labor corresponding to a given normal condition, the production of surplus value, the degree of valorization of value depends on the length of the working day. And then Marx, based on these given determinations, focuses the question of how much capital can be valorized specifically on this point, on the basis of the length of the working day.

It's clear that if labor power has a certain value, that value is associated with a certain length of the working day. And since Marx was saying that labor power has a value, the length of the working day had to be more or less implicit. Because if the worker works longer, they expend more labor power, and the value of that labor power will be higher, and vice versa if the working day is shorter. Marx takes this point about the length of the working day and, above all, what he then unfolds are the concrete forms that the determination of the normal working day takes. And he goes on to develop these concrete forms.

Normally, when we did this in person, it was much more of a dialogue, because the question was why it seems to take this marked form of exposition, with so many concrete examples, and what emerges from that development. So I invite you to consider whether this form of exposition speaks to you. I don't know who uses the FCE translation, the classic one from the mid-1940s that continued to be reprinted identically until very recently, when a translation by Roces himself was published. He died years ago, but he had made modifications, and we discussed it in the first meeting. And one of the things we talked about is that Volume 1 isn't, but Volume 3 is riddled with typos, with translations that reverse the correct words. And in this Volume 1, in this chapter, there's one such case. And what we always do is, when we're working on a chapter where I've identified things that need to be changed, I notify you so you can correct them in your copy. The new one is corrected; the old one has a phrase that says, “I am simply demanding the value of my commodities like any other buyer,” and it should say, “[…] like any other seller.” [Replying to the chat] In the 21st century, I understand that the problem doesn't exist. Generally, there aren't any problems; in some cases, there are. […]

Let's go through it quickly and see what emerges as Marx unfolds this, in the form of the unfolding of concrete forms. Indeed, when he begins in the first sections, what appears is the relationship between the capitalist and the worker as the relationship between buyer and seller. And how each of them has to personify their commodity. As we saw it in its simplest form, one personifies money and the

[127]It's impossible to list every section, since JIC jumps around throughout the concrete development of the struggle for the normal working day and other issues. In subsequent sessions, he returns to different topics; it seems that Chapter IX is reduced to what we've already seen here, and Section 4 on relative surplus value isn't addressed until Session 35.

other the commodity. And what we have regarding the relationship between the possessor of commodities and the possessor of money, between seller and buyer, is that they have no personal relationship; they enter into this indirect relationship established through the exchange of commodities—money—and each acts as a personification: one of the money that will function as capital, and the other of their labor power that they will sell as commodities. What, then, is the nature of this relationship?

What Marx starts with here is this: the capitalist buys labor power for the value corresponding to the working day; he has become the owner of the use-value of that commodity for the time it has been sold. And to act properly as the personification of capital, what he has to do is get the worker-seller to deliver the greatest possible amount of use-value by giving the least possible amount of value. And this is what any buyer of commodities does. And on the other side is the worker-seller of labor power who does what every seller of M has to do: he tries to get the full value of his commodity delivered, and the way to get it delivered is for him, as the personification of that commodity, to try to give the least possible amount of use-value in exchange for the greatest possible amount of value. And what we have is the antagonistic relationship between buyer and seller of commodities, now in the concrete form of the antagonistic relationship between capitalist and worker.

And Marx begins to develop this in relation to the length of the working day, and what will emerge from this antagonistic relationship is… Two expressions will appear amidst this unfolding of concrete forms. What he will say is: here, buyer and seller, like all buyers and sellers, have the same rights. Each does what they have to do as the personification of their commodity; they have equal rights, *and opposing forces.* And the synthesis he will make of this is: "Between equal and opposing rights, force decides [128]." And the exercise of force will take expression in the struggle that will unfold around the length of the working day, and this is not simply a struggle in which the individual capitalist confronts the individual worker, but rather, from this development that unfolded in concrete forms, what emerges is a struggle between the "universal capitalist," because the antagonistic relationship extends; it is not simply between each worker and their capitalist or between each capitalist and their worker, but rather encompasses, on one side, the universe of capitalists, that is, the capitalist class, and on the other, the universal worker, that is, the working class.

We had been observing independent producers of commodities, individuals who established no social relationship with each other other than through the exchange of commodities. From this exchange arose antagonistic relationships of competition between buyer and seller. Now, what has emerged through this development of concrete forms is that, arising from this antagonistic social relationship between individuals, a social relationship emerges that encompasses the universe of individuals who are *classified* on one side or the other. And this will be achieved through another aspect that was not present until now, which is the regulation of the length of the working day. This is also the development of a form

[128]Marx, K. (1977: 180), *Capital,* Volume 1. Mexico City: FCE. [End of chapter VIII.1.]

of social relationship, because it is a regulation that has general validity, that does not have the scope of an individual relationship; it is between the universal worker and the capitalist, and it entails a direct social bond, because there is a regulation that is mandatory for both. And so, the development of this relationship will continue through the regulation of the working day.

He had said that, with equal rights, what decides is force, and this is demonstrated in the concrete demonstration he is making, how, with the development of the capitalist mode of production, the isolated individual worker, in his condition as a free seller of his labor power, is completely defenseless against capital. The establishment of a normal working day can only emerge from a long and difficult, more or less covert, "civil war" between the capitalist class and the working class. And here the class struggle appeared; looking at the concrete movement, this form of social relation emerged, and where there could only be links between isolated individuals, because all links were antagonistic and no one could associate with anyone, now, above the antagonistic link, which within the capitalist class is the competition to buy labor power… Excuse me, I'm skipping over the class part: within the pole of the capitalists, and the antagonistic relationship within the pole of the sellers of labor power to sell their individual labor power, and what Marx is going to point out is that competition among workers arises from the isolated sale of labor power.

So, where there were only relationships between isolated individuals, relationships that were antagonistic, now there is a relationship at each pole that will take the form of solidarity, a solid foundation where there could only have been fragmented, isolated, and mutually free individuals, and this applies to both the workers and the capitalists. A relationship that until now seemed impossible to establish in a way of organizing society where the bonds were antagonistic and linked isolated individuals. This relationship of solidarity *does not replace competition.* Selling their labor power together as if it were a single unit does not negate the fact that each person, as a mutually free individual, needs to sell *their own. Our own labor power.* If the condition for selling one's labor power at its value is establishing a relationship of class solidarity—because the competition one experienced as an isolated individual isolated oneself from the isolated capitalist—what we find is that this relationship of solidarity is a concrete form that the relationship of competition takes. If my competition with others is what makes me weak, that is the basic relationship. How can I resolve it? I am an individual lacking bonds of personal dependence, isolated; the only way I can overcome my weakness is by giving that social relationship that makes me weak the form of a relationship in which we sell our labor power without confronting each other.

So, what emerges through this history of the regulation of the working day [Sections 5-7] is: we have here the classes, we have the class struggle, the relationship that will constitute the classes, of solidarity, and when it is viewed from the point of view of the workers, what makes it weak is its competition with the other workers, and so it has to give that competition the form of a relationship of selling labor power by competing and at the same time selling it all as if it were one.

Marx is going to take a step by outlining something that he will later develop much further in its concrete forms. The second appearance that the buying and selling of labor power presented in circulation, which was freedom—that the worker was a free individual and freely sold his labor power—what Marx is going to argue is this: now, once he has sold it, the worker is no longer a free agent. The moment he exercises his freedom by selling his labor power is the moment he is forced to sell it because he is free and has no other social bond; the only thing he has is the sale of this commodity, and consequently, under the guise of being a free individual, he is a forced laborer.

The next step that will emerge in this unfolding is that this relationship established by the workers as a class does not arise from an abstract will, but as a necessity, a power that springs from the very movement of capital. And that this necessity presents itself to the workers themselves as a social power that is external to their individual will. I read the quote from the text:

> To "defend themselves" against the serpent of their torments, the workers have no choice but to tighten the noose and wrest, as a *class,* a law from the state, an insurmountable *social obstacle* that prevents them from selling themselves and their offspring as meat for death and slavery *through a free contract with capital.* And so, where once stood the pompous catalogue of the "Inalienable Rights of Man," now appears the modest *Magna Carta* of the legal working day.[129]

And in this text, which emerges from the development of concrete forms, a new subject appears, the bearer of a social relation that is not a bond of personal dependence, but rather a social relation that must *appear* as an external, objectified existence with the power to impose itself on free individuals as personifications, over their abstract free will. Marx will refer to this social relation as a "law of the state," a social obstacle that prevents them from selling themselves through a free contract between personifications. This personification, which until now simply established its social bond according to the needs of its commodity, now finds itself the bearer of an impersonal social bond that is imposed generally, and there is a subject that is also not a personal form, but a social relation with an objectified existence: the state. And this is what arises from the development that Marx unfolds regarding the concrete forms that this struggle over the length of the working day takes.

There are several questions here. The first is: why this particular way of presenting his ideas? Did Marx need it because it was the only way he could get there? Did he deliberately say, "I want to get to this point, and I'm going to get there this way"? Marx would have known why he did it the way he did. There's even a version (I don't remember where it comes from, a biography or something…) that, since he had written so much of this, he felt bad about not publishing it and so he put it there; and another that says it gave the book more substance and made it seem important. Marx would have known his reasons. The problem is what this unfolding here confronts us with, what it forces us to answer. And to say: well, then, what is this determination?

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[129]Marx, K. (1977: 241), *Capital,* Volume 1. Mexico City: FCE.

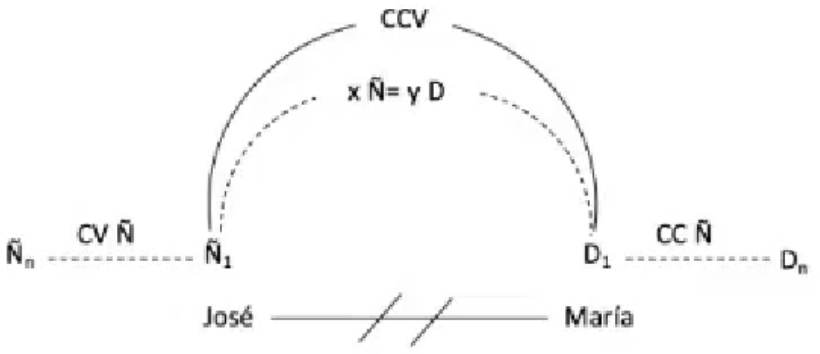
One of the things that will appear very clearly is that, contrary to many arguments that Marx only deals with social classes, in the last chapter of Volume 3, in a page and a half entitled “Social Classes,” which is left unfinished, and that's all he says beyond naming them. At the beginning of Volume 1, what he's saying is a primary determination of social classes. There's another version that says Marx doesn't develop the concept of the state, and here in this chapter what appears… The state already appeared in the function of money as a price standard, which had to be imposed externally, having a character of universal validity within the national sphere. But here a state appears that refers not simply to a formal matter, but to how the capitalist mode of production operates, and the necessity of the state not as a formal requirement, but as a condition that capital imposes for its reproduction […].

[Unit of the general social relationship.
Class struggle, state, and citizenship.

[…] I had suggested that we look again… Marx develops the concept starting from concrete forms. The content of that concrete form emerges, which is not simply a description of what is happening, but rather an antagonistic relationship that encompasses the universal worker and the universal capitalist. This relationship takes the form of "[…] a more or less covert civil war [130]," and it appears as a necessity of the very movement of the general indirect social relation that the fixing of the length of the working day takes the form of a direct social relation, which has a coercive character, an immediate, general social validity, which is the action of the state, and which presents itself as a direct imposition expressing a need of the universal worker itself in the form of a need of capital.

So what I had proposed to them was to revisit these determinations, but not by focusing on their concrete forms, but rather by examining the content of why the indirect relationship through the exchange of commodities needs to take the form of a direct relationship between those who embody the commodities, but why the social relationship transcends individual bonds and the universal worker and the universal capitalist appear as personifications, and the state emerges. Are these movements external to the general movement of the social relationship itself, or are they the necessary concrete forms in which the unity of the process of social metabolism is realized? […]

Organic unit of the social relationship between commodity producers: production and circulation.



We began by depicting the social bond between two people, because what we always have before us is how human beings organize our social life process under the capitalist mode of production, the allocation of labor power to the individual productive organs of society, and consequently, how we organize the consumption of the products of that social labor. What we always have before us is that it is a social relationship between people.

[130]Marx, K. (1977:38), *Capital,* Volume 1. Mexico City: FCE.

Today I took José and María, two people who have no direct personal connection. They are cogs in a process of social metabolism that doesn't take shape through direct personal bonds. It takes shape through José and María working for each other privately and independently, and consequently, their social bond takes the form of an indirect relationship (hence the dotted line) between things, commodity, which were the 10 *Ñs* and the pair of *Zs.* We saw that this defines José as the personification of his commodity, which is why we called him "Mr. Gnocchi," and María "Mrs. Shoes."

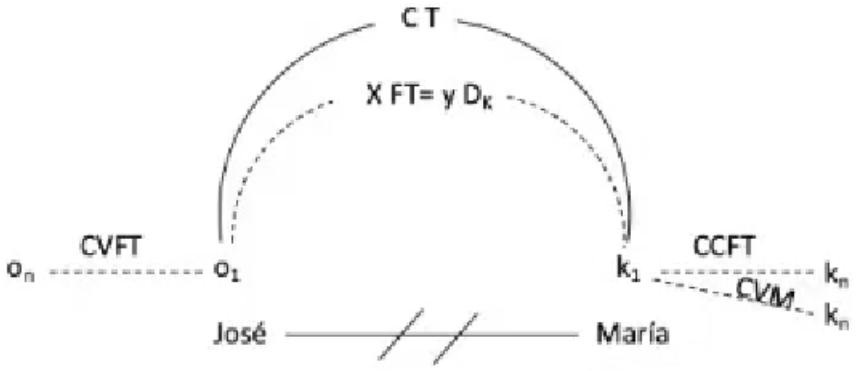
If Chapter I ends here, Chapter II introduces the contract of sale (CS). Marx presents it as follows: commodities cannot go to the merchant on their own; their owners must bring them. If the commodities refuse, they can be forced. And immediately afterward (here it appears as an abstractly free consciousness), what emerges is that they must act as personifications of their commodities, and that as such they relate directly in a conscious and voluntary relationship, which is the CS. In Chapter II, Marx makes an observation, stating that the CS is a legal relationship in which this indirect relationship (10 *Ñ* = 1 *Z)* takes shape, a relationship realized through the production and exchange of commodities. But I will simply mention it.

When we began in Chapter III, it was no longer simply a confrontation between two possessors of commodities; it was the relationship between someone who possessed commodities and someone who possessed money. What we had was that *x* quantity of Ñ was exchanged for a quantity *y* of money, and that María had sold shoes before. We have the direct relationship between the personifications of the commodities and money, conscious and voluntary, in the sales contract. As we progressed through Chapter III, it became clear that commodities were not sold automatically for their value, and it was evident that the relationship between buyer and seller was antagonistic, not personal, but as personifications. There is a need for the person who personifies their commodities to confront an opposing interest with the one who will exchange the commodities for money.

Initially, they were producers of commodities. When we moved to circulation, they began to be referred to as possessors of commodities because it wasn't clear where each person obtained the commodity or money they were carrying. But the relationship was antagonistic. And this is a universal relationship, because every individual operates as an individual organ of the production process, and every person operates as an individual organ of consumption of the products of social labor. But when this question arose regarding the relationship between the size of the socially acceptable need and the quantity produced—because the unit is established indirectly—commodities could be sold above or below their value. Those who sold below value contributed a larger amount of social labor than they received in return, while those who sold above value contributed a smaller amount and received a larger amount in return. We viewed this as an antagonistic relationship between sellers of the same commodity, and we extended this to complementary or substitute commodities, stating that this is universal. Competition is most immediate with those selling the same commodities, but this competition extends to all sellers of commodities, and the same is true from the perspective of buyers. Therefore, in the capitalist mode of production, we only

have antagonistic relationships: between buyers and sellers, among sellers themselves, and among buyers themselves.

Organic unit of the general social relationship.



Let's look at this same thing, but now not simply as a relationship between private and independent producers, but as a relationship in which the seller, as the starting point of the organization of each cycle of the social metabolism process, has labor power to sell as his commodity, and it is bought with money that will function as capital.

And so we return to Joseph and Mary, whose relationship as individuals exists without any personal connection. They are related indirectly because Joseph, as a worker, sells a certain amount *of* labor power, which Mary, as a capitalist, pays him with a certain amount of money that will function as capital. This indirect relationship, mediated by the exchange of labor power and money, defines the seller of labor power as the worker and the buyer of labor power as the capitalist. These *personifications* of labor power and capital, which enter into circulation, become a direct, conscious, and voluntary relationship of buying and selling, now in the form of an employment contract, where the worker has sold their labor power for a specific period. And here, what we are looking at is considered in its simplest form: the worker sells their labor power for its value.

Obviously, the relationship between capitalist and worker is antagonistic. In Chapter V, we saw that this antagonistic relationship occurs not only at the moment of the sale, but throughout the working day, because the transfer of the use-value of labor power to capital is intended to transform it into the greatest possible amount of living labor, which then materializes in its product, generating new value. And so we have: the relationship between worker and capitalist is a specific, concrete form that has the same root, the same content, as far as we know, as the relationship between buyer and seller of any commodity.

What does Marx show us in this chapter on the working day? It shows us the atomization of workers competing with each other to sell their labor power, which appears in the form of a competitive relationship. Here, it is also clear that workers with more similar labor power compete more directly, while those with more differentiated labor power compete less directly. But all workers compete with each other to sell their labor power. And on the capitalists' side, they are all buyers

of labor power; they have an antagonistic relationship over who buys it, an antagonism that is more acute among those who buy the most similar labor power. There is another relationship that I find useful to emphasize when looking at the development of the unity of the general social relation: that capitalists are all competitors with each other because they are all sellers of commodities. Except for labor power, what they sell is another type of commodity, but we summarize them as "sellers of commodities" in general.

So, there's the same competition that simple commodity producers had, but it's universal. There are other competitive relationships: workers compete with each other because they are buyers of means of subsistence, capitalists because they are all buyers of means of production and means of subsistence (the portion of surplus value they will consume individually), and if workers and capitalists consumed the same means of subsistence, they would compete with each other as buyers of those means of subsistence.

[Responding to Javiera] A capitalist will buy something that will be a means of subsistence for them, and another capitalist also wants to buy it. It can then happen that there are too many capitalists willing to buy that commodity and not enough production. So, the way to determine who will keep that means of subsistence will be through the price rising, and some will reach the point where they say, "Well, at that price, above its value, it's not a means of subsistence for me," and they will withdraw. The same applies to them as buyers of means of production when they use the same means of production. All capitalists consume fuel, energy sources; they have an antagonistic competitive relationship with each other because they would like to be the only ones who want the fuel, because then there would be a surplus and it would be sold below value. And there is also an antagonistic relationship between the capitalist who buys fuel and the one who sells it.

Javiera: I understand that they compete to buy labor power, but I wonder: if capital normally produces surplus labor power…

JIC: No, that's not here yet, we'll look at it now.

Javiera: Another question: if all relationships in capitalism are antagonistic, are we referring here only to the relationships that occur in the process of buying and selling labor power? Would relationships within a family, a couple for example, where both are sellers of labor power, fall under an antagonistic relationship of competition?

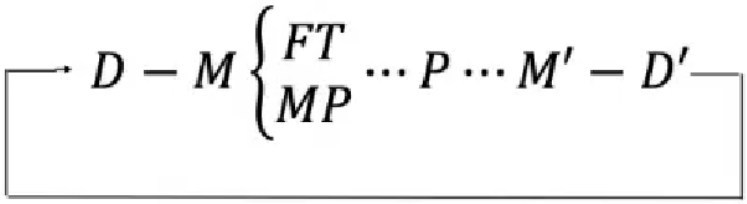
JIC: Here's the thing: there are no bonds of personal dependence here. That's why I chose this approach, because otherwise you're already looking at concrete forms. This is the universal bond. One enters into these antagonistic relationships not as a person but as a personification. I'm taking it in very abstract terms: personally, one doesn't have any personal problems with anyone, because there are no bonds of personal dependence. But what is the nature of the general social bond? It's a bond of antagonism as personifications. One has antagonistic bonds as a personification with *all the other* personifications. Even if one isn't even aware of

them, since it's an impersonal social relationship, one has this bond beyond the possibility of personal bonds; that's why it tends to be a universal bond, not mediated by the personal figure of each individual organ within social life.

Now, you're going a step further, because at this point we don't have the concrete determinations, and we also saw something when we looked at the reproduction of labor power, which is: this is the general social relation, and as concrete forms of it, bonds of personal dependence appear. And then even bonds of personal dependence are governed by that impersonal social bond. So, since the most general determination is that of the impersonal bond, effectively within a couple where both are sellers of labor power, there is already an antagonistic relationship of competition. The bond of personal dependence depends on the concrete conditions of the reproduction of labor power and so on, giving it a peculiar form, but the possibility for that couple to reproduce their life first depends on the possibility of selling the commodities, in this case, labor power.

We are looking at it in its simplest form, which is the purity of the indirect social relationship mediated by commodities. Later, when we delve deeper into a whole series of determinations that lead us to concrete forms, but up to this point it's this: as personifications, all our relationships are antagonistic; the most general way we relate socially is as personifications. So it's a war of all against all. Marx uses this figure because what Adam Smith argues is: well, from the fact that everyone pursues their own self-interest and has no personal connection with others, one cannot expect the baker's kindness, etc., to provide us with these things; one has to appeal to one's own self-interest to satisfy one's own self-interest, and he concludes that it's as if there were an invisible hand from which the greatest general welfare flows. And what Marx proposes about a war of all against all... the greatest general welfare doesn't necessarily flow from it. So, let's consider this in the purity of this relationship.

We return to this scheme. When one looks at what gives it unity, what governs these universally antagonistic relationships, what we have is the movement of capital:



El capital es la relación social objetivada que tiene la potestad de poner en marcha el trabajo social de manera privada e independiente con la finalidad inmediata, no de producir valores de uso para el consumo humano, sino de producir más de la misma relación social objetivada

When we look at capital, we see that it does the same thing as a subject: it appropriates the means to do so, for which it must expend itself. Once it has the material form of labor power, it annihilates itself in the production process in order to produce more of itself. And this is what we looked at at the very beginning: these are the conditions for the reproduction of any living subject. It needs to advance in its capacity to reproduce itself. What does a metabolic process have to do? It has to expend itself to transform something that allows it to reproduce itself, expanding its capacities for that reproduction.

And there's something I said, because I didn't want to use this scheme that Marx uses in Volume 2—this is the unfolding of M-C-D', of what happens in circulation—but Marx in Volume 1 is going to see what happens in the production process, so I hadn't wanted to show it to respect Marx's approach. But when you look at it this way, what you see is that capital isn't simply money, value that valorizes itself. Its content isn't exhausted there; that's just the form the movement takes, in money that produces more money or surplus value. It's a social relation that sets in motion each cycle of the production process of the means of human subsistence with the immediate aim not of producing use value, but surplus value, of valorizing itself.

But one can look even deeper, and when one says that it is a social relationship, what one is saying is that it is a way of organizing the process of social life, which sets in motion that process of social life with the purpose of multiplying the capacity to set in motion the process of social life as if its immediate purpose were simply that multiplication, without immediate unity between that process of social production and that of social consumption.

I'm including this diagram here to emphasize that the immediate goal of social production is the production of surplus value. And I'm going to look at the concrete forms that the buying and selling of labor power takes, not in terms of the length of the workday, but rather in terms of the content of the valorization process. What's at stake is the multiplication of capital. It's exactly the same as if I were looking at the length of the workday, but I've always found it more expressive to focus on what's at stake here. And what we have before us is the flow of the multiplication of surplus value, the transformation of surplus value into new capital—that is, the accumulation of capital.

The flow of accumulation has one general condition: capital must always have labor power available. If any means of production is lacking, valorization is interrupted in the sectors that use it, which may be more or less universal. But if capital lacks labor power, it cannot operate in general. Consequently, if the immediate goal is to multiply capital, capital must always have a sufficient mass of labor power to ensure its continued operation. What we have before us is an automatic way in which society organizes itself, where there is no determining factor that dictates: to ensure that labor power is always available, it must be multiplied today in this proportion, tomorrow in this proportion, and so on, directly guaranteeing that labor power is always available. Simply put, with what we have so far, in any self-regulating system, the way to always have the essential element for overall movement is to have a reserve, a quantity of labor that is

always available so that if capital needs it, it has a source, and if it has a surplus, it has a place to put it, incorporating it into the reserve and maintaining the flow of movement. If one always has a reservoir where that essential element for movement is stored, the flow is permanent.

And I always find it very illuminating to point out how clear the need for this buffer is, because when the unemployment rate (a measure of the ratio between the employed and unemployed workforce) falls below 3-4%, the economists who are the spokespeople for capital say that there is full employment and that it has problems finding the workforce it needs. What we are seeing is that capital has a surplus of 3-4% of the workforce. So, this is not enough; it needs more surplus so that its accumulation process can flow smoothly. Since this is the concrete subject of the unity of the social metabolism process, the general social relation, in order to flow in the production of the means of subsistence for human life with the aim of capital valorization, needs the workforce to always be produced in excess of the amount that capital requires at any given time.

Javiera: If there is always a "lubrication" there in reserve, a surplus, I don't quite understand this whole thing about competition for the purchase of labor.

JIC: There are differences in the workforce; competition is fiercest among those using the same workforce. You have to see where that workforce is located because, in a given situation, the surplus might be in one place but not the other. It's a general relationship (we'll now look at the forms this competitive relationship takes) that, noticeably, precedes the evidence that they need to have a surplus. Competition is always present in that purchase.

Ivan: I have many friends who constantly think about leaving the country, and ads start appearing in newspapers from places (Spain and other countries) that "accept" Argentinians. And what's peculiar when you look at what they "accept" from Argentinians, or which Argentinians are interested in leaving, is that the figure of programmers and computer technicians always comes up—a highly specialized and well-trained working class in those fields. And while I was seeing all this, there was a meeting of Argentinian businesspeople, and one of their concerns was the need to prevent the departure of technicians and programmers, who are also essential to Argentinian capitalism. And amidst all this, I was having a meeting with state employees, and one of the problems they raised was the lack of programmers for the university, so they could maintain the university websites and other services. And I think this could be an example where you can see this already global competition for a certain workforce and how smaller companies like those operating in Argentina begin to be harmed by the migration of this workforce and cannot find mechanisms to retain it, especially due to wage disparities, and so on.

JIC: These are forms of that competition. You reminded me of other forms; Argentine history is full of such expressions. But Marx makes an observation regarding a crisis (I think it was the cotton or wool crisis) where workers migrate from where they are because there is no buyer for their labor, and the local capitalists in that sector ask parliament to prohibit the migration of workers. And

in the case of Argentina, at the beginning of the 20th century, when cotton plantations were being developed in the Chaco region with the indigenous population being forced into labor for capital, and when Tucumán (which borders the Chaco, where sugarcane was cultivated) needed labor for the sugar harvest, and the sugar capitalists tried to attract this workforce, the capitalists of the Chaco, which was under military rule (it was a national territory), sent them a letter that stated verbatim: "The Indians of the Chaco are ours, so they cannot be allowed to go to the sugar harvest." And they effectively kept them confined in the reservations.

What Marx observed in cotton or wool workers in England, there's a literal example in Argentina. "Those workers are ours," they aren't shared with other capitalists because there's an antagonistic relationship over the availability of that labor power. And now we're going to look at the concrete ways in which that competition *seems* to be denied, but it's always present within this relationship.

Edgardo: This pool of systematically unemployed workers has a global dimension, doesn't it? Iván's case is an expression of that. In other words, the changes in countries' immigration policies also reflect this.

JIC: Exactly, with a much greater complexity than what we're looking at here. Just as Marx makes that point where he says that a direct producer separated from their means of production is not a product of nature, but rather the result of a long historical process in which they were separated from their means of production, he then goes on to say: let's do the same thing the capitalist does. The capitalist doesn't care why there are doubly free workers; all they care about is that they exist. So, up to this point, it hasn't been explained where this surplus worker comes from.

Later in this discussion, we'll see how capital operates… Up to this point, it appears as a condition external to the movement of capital (like everything else that has essentially appeared in this discussion), which will later be transformed when we enter the section on relative surplus value. How does capital manage to accumulate surplus value? We'll see this later, and what happens with it, which substantially transcends what we're currently looking at. Because unemployment rates aren't 4-5 %; universally today they're above 10% (and with all sorts of manipulations to lower them). We'll get to all these determining factors later, but for now, let's consider it simply in its purest form, the simplest form of this determination. Let's focus on the fact that capital needs surplus labor power. What then happens to the reproduction of labor power?

What will happen is that, in order for there to be a surplus, it's a commodity that has to be produced in a quantity greater than what corresponds to the social need that sustains it *at its value.* If there is systematically going to be a surplus, it is systematically overproduced, and the competition among workers to see who sells their individual labor power will lead to labor power being systematically sold below its value. It's obvious that for the worker this means a deterioration in living conditions. And if we look at individual capitalists, what we'll see is that for them

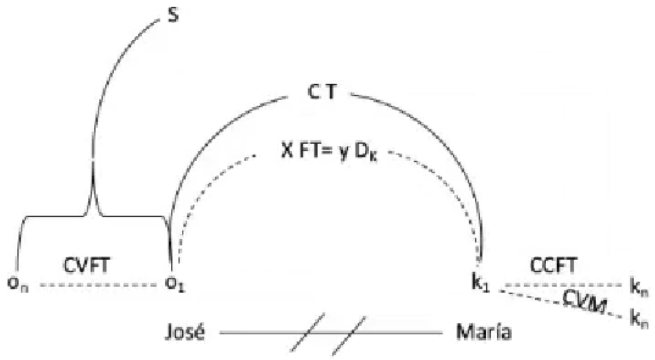
this situation in which labor power is sold below its value is a boon, because it increases their rate of surplus value.

I always make a point at this stage regarding the capitalist's dream: the forced labor camps of Nazi Germany, where a workforce is readily available with productive attributes that require no investment in their production. This workforce is consumed with immediate intensity, rapidly exhausted, and once exhausted, capital no longer needs to spend money to keep these individuals alive: it annihilates them. One must remember that Henry Ford was an admirer of Hitler because he was fulfilling the individual capitalist's dream: when his workforce is exhausted, he takes another mass of labor that cost him nothing to produce and does the same thing as long as he can sustain this process.

But there is another social subject that is neither individual workers nor capitalists, but rather the unified movement of the social metabolism process: the unity of production and reproduction in the capital valorization process. What will appear here is no longer simply individual capitals (up to this point they were the concrete subject of setting social production in motion), but rather the unity of this social metabolism process, which takes the form of the total capital of society.

What happens if labor power is systematically sold below its value? It will gradually lose the productive attributes that capital demands of it, reaching a point where capital needs a surplus of labor power, but at the same time, it needs to reproduce itself under normal conditions and normally be sold at its value. We then find that the concrete subject of this social life process is not individual capital, but rather the unity of this process of social metabolism, and this unity is the total capital of society, or social capital. And this is a necessity of the total capital of society. So, how does this contradiction develop? Who is the subject that bears this contradiction?

Up to this point, the total capital of society has no expression of its own. But this aspect of the need of the total capital of society cannot be expressed in individual capitalists either. Because if an individual capitalist is aware of the need for labor power to reproduce itself normally and pays their workers the value of that labor power, their competitors, who can obtain labor power by paying below its value, will see the valorization of their capital multiplied and, in the long run, will end up defeating them in the competition. Therefore, individual capitalists cannot, by themselves, be the subjects through which this contradictory need of the total capital of society develops. What other concrete subject remains as a possible bearer of this? It is the one who suffers the consequences of the first need of capital (that it have a surplus of labor power), and at the same time is the immediate bearer of the second need of the total capital of society: that labor power be sold normally at its value. And that other the subject are the workers.



Actually, this chart is wrong. I always promised myself I'd correct it, but I didn't, because here I labeled the competition as sellers of labor power (CVFT), and I forgot the solid line that corresponds to that direct relationship between personifications, the same as here (CCFT, CVM). There's a line that represents the conscious and voluntary relationship in which one worker fights with another to be able to sell their labor power.

Where does the possibility arise for capital to sell labor power below its value? From competition among workers because there is a surplus of labor power. Consequently, the way to develop the sale of surplus labor power at its value is for workers, instead of selling their labor power individually, to sell it as a single entity. In other words, the competition to sell labor power takes the form of a relationship of solidarity, transforming the separate, competing labor forces into a single, solid entity, a single seller of labor power. Then, what we will find is that through this relationship of solidarity, the workers, in their actions, are personifying a power that belongs to the total capital of society.

It's not that competition has disappeared; what exists within it is competition to sell one's own labor power. For the individual worker, the fact that others sell their labor power while that individual worker cannot is not the solution to their situation. Therefore, solidarity is a form that competition takes. If one looks at this solidarity, in very broad terms, one can see that its scope varies depending on the extent of competition among workers. Who competes most directly? The workers who will sell their labor power to the same capitalist. What is at stake there is: of all those who have joined the employment queue, who will be able to sell their individual labor power to that individual capitalist? And very broadly speaking, the concrete form that this solidarity takes is that of a company-level union.

In Argentina, company unions were prohibited because they represented a very short-sighted form of solidarity. At some point, especially under military dictatorships (and if I remember correctly, this dates back to Onganía 's dictatorship [131]), the possibility of company-level unions was established. This backfired spectacularly on Argentine capital because the most militant unions became the company unions, those with the most power due to the conditions of capital accumulation in Argentina. This is the story of SITRAC-SITRAM, active

[131] https://es.wikipedia.org/wiki/Juan_Carlos_Ongan%C3%ADa .

participants in the Cordobazo [132]uprising. This trend continued, and these types of unions highlight the weakness of an absolutely limited form of solidarity.

Who are the workers who compete most directly with each other? Those workers who sell their labor power to capitalists in the same industry, because their labor power is relatively similar. Then one can look at a next level of solidarity, which is an industry-wide union. Since competition transcends the sale of labor power to capitalists in a single industry, one can find (and I'm going to introduce a national example here because that's the concrete form it takes) a union that encompasses the sellers of labor power across a national territory. The union relationship is a conscious and voluntary relationship in which one enters not as an individual but as a personification. The fact that this solidarity relationship contains competition to sell one's labor power can be seen in a series of concrete manifestations. I always say that it's not necessary to study them in depth: it's enough to go to a football match and hear expressions of xenophobia, which is a form of solidarity, because all of us who belong to this side of the border are in solidarity with each other to compete with those on the other side. So, what one sees is that this relationship of solidarity does not extend beyond that national space.

Other ways in which competition manifests itself include fragmentation into unions that represent the same type of worker and compete with each other for representation. I always give the example of the professors at the University of Buenos Aires [133]and other national universities, where we have three local unions in each university and faculty, with strongly antagonistic relationships. The unions that are more accommodating to the institution accept anything, while those that take a stronger stance in defending the terms of the sale of professors' labor suffer the consequences: when it comes time to sign the employment contract, they are not allowed to participate because we are on strike, so the buyer of our labor denies us the right to participate in the negotiation.

From the perspective of those who purchase labor power, competition to buy labor power also takes the form of a relationship of solidarity. And these are the associations of capitalists, which also have a sectoral and national reach, and which also always involve competition. If we examine each of these two relationships of solidarity that arise from the antagonism between buyer and seller of labor power, but which are in turn the concrete form that antagonism takes within each pole, the first thing we observe is that in this relationship of solidarity, at either pole, which one must enter consciously and voluntarily (because it is a direct relationship), one enters not as a person but as a personification. It is not a personal attribute to be in the relationship of solidarity of the workers or the capitalists.

To put it simply: if a capitalist goes bankrupt and loses their capital, and the only commodity they have left to sell is their labor power, and therefore they've crossed over to the other side, they can no longer maintain their old relationship of solidarity with other capitalists. Because then they'll give up as much of their labor

[132] https://es.wikipedia.org/wiki/Cordobazo .
[133]University of Buenos Aires.

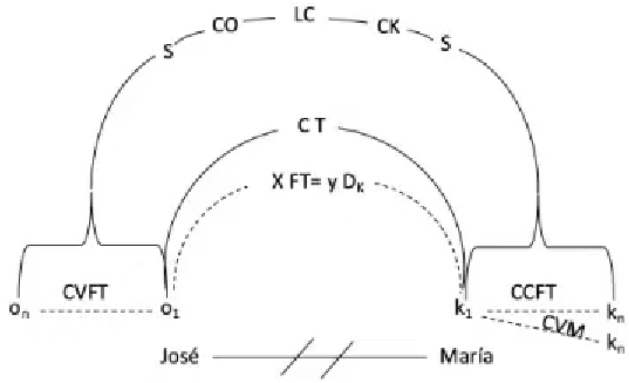
power as possible in exchange for as little pay as possible, and they'll end up dying. Now they have to establish a relationship of solidarity with the other sellers of their labor power. Conversely, in a fantasy—one that has been heavily cultivated for many years, and which is fiercely cultivated in some parts of the Argentine public university—there's the image that if a worker is resourceful, creative (in the context Iván mentioned, this is very much present, in the development of computer systems and so on), has initiative, and so forth, they can become a capitalist. And if they become a capitalist, they have to abandon their old relationship of solidarity with other workers and establish their new relationship of solidarity with other capitalists. If he believes he is still a worker, then he will pay his workers as much as possible, demand that they work as little as possible, and the result is that he will end up failing as a capitalist and will return to his old social relationship or whatever will happen to him, but he cannot operate as a capitalist.

And here we see a contrast between this relationship of personifications and the old bonds of personal dependence, where the individual is lord by the grace of God and servant by the misfortune of God. As long as they remain within the sphere where these social relations operate, they cannot change this condition because it is seen in that society as a natural attribute that cannot be lost—so natural, in fact, that it gives rise to the fantasy that lords have blue blood and vassals have red blood. And this image has always stayed with me in the confrontation between Moorish and Christian societies in Spain, and generally in the Iberian Peninsula. It appears in literature that the Christian lord who fell prisoner to the Moorish lord did not become a slave: he remained at his court until a ransom was paid; he did not lose his personal attribute. Christians seem to have been less inclined to this type of treatment, but this figure does appear in literature.

The contrast is that here one is *classified* on one side or the other. Because one is classified in their condition as a personification. The classification consists of: here is this attribute, and I put it in this box; this other attribute goes in this box. And in this sense, it is a relationship between personifications in which one is classified at one pole or the other, and insofar as this relationship of solidarity tends to be universal, it is what Marx will call the “universal worker,” the “universal capitalist”: the working class and the capitalist class. Which are directly linked to each other in their condition as the universe of one personification and the universe of the other under the form of class struggle.

I mentioned to you when we were looking at Chapter III some contrast between *Capital* and the *Manifesto,* where it appears that history up to this point is the history of the class struggle [*Manifesto]*, and when it speaks of the class struggle in ancient society it says: it is the struggle between free debtors and creditors, which ends with the defeat of the debtors turned into slaves [*Capital]*. I see the contrast (Marx uses both terms and I'm not going to say that he actually meant this other thing), I subject it to criticism, and I say: here there is a difference between the bonds of personal dependence and the history of the development of the modes of production carried out in the transformation of the bonds of personal dependence or through the bonds of personal dependence, and this peculiar bond which as a general social relation is unique up to this point in the history of humanity where one is effectively classified on one side or the other. And that is why I use the term

“classes” and “class struggle” as a social relationship between mutually free individuals and therefore commodity owners, and the general form of commodity owners is the capitalist mode of production.



So, what do we have so far? Class struggle, which is a social relation, is a necessary form that the movement of capital takes. Let me clarify: there is no movement of capital that does not take the form of class struggle, nor is there any movement within the class struggle that does not have capital as its content. Arguments that assume a movement of capital without class struggle are abstracting a necessary concrete form of capital, and arguments that speak of class struggle as something governed externally to the movement of capital are abstracting the content of the class struggle.

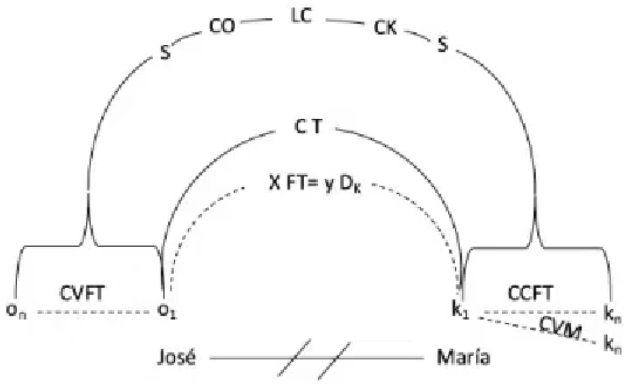
And I'll make one more clarification. Up to this point, this is the only determination we've seen regarding the class struggle, but one can apply it to Marx's analysis of the working day: this is how the working day is fixed at the point corresponding to the buying and selling of labor power at its value. How is the buying and selling of labor power imposed? He says: they have to force us to stop working, because if they don't force us, we will continue. This movement arises from the capitalists' desire to extend the working day, and from the workers' desire to sell their labor power at its value. Competition between them prevents them from doing this; the antagonistic relationship between capitalist and worker takes the form of the antagonistic relationship between the universal worker and the universal capitalist, and that is the class struggle. It is a civil war, sometimes more covert, less noticeable, and other times more overt.

Ivan: How can we understand these social confrontations where we see social alliances being formed between personifications of capital and personifications of the working class [134]? These are more concrete, current forms, but for example, during the general strikes in Macri's time, the CGT (General Confederation of Labor) used the defense of SMEs as its slogan; and this Saturday there's a very large mobilization in Plaza de Mayo called against the IMF, which isn't a direct confrontation against the capital that, if you will, exploits the national workforce. I understand it as related to the fact that these workers also participate in these

[134] Of the workforce*.

small businesses or in national life and understand that the IMF and other factors, or the debt, will affect their living conditions. But I also see this contradiction between national forms.

JIC: Now let's get to that. Indeed, there are much more violent forms than the one you mentioned because one has to look at wars, and wars between national spheres are forms of competition and encompass relationships of solidarity within a national space that acquires a character that unites workers and capitalists of that national space against the others. Now let's go directly to that, and I don't know if we'll have time, but I always use as an example of what you're raising what happened with the Second International Workingmen's Association, which was a relationship of solidarity against the capitalists until another relationship of solidarity appeared in the middle and… But I don't want to pass. […] [135].



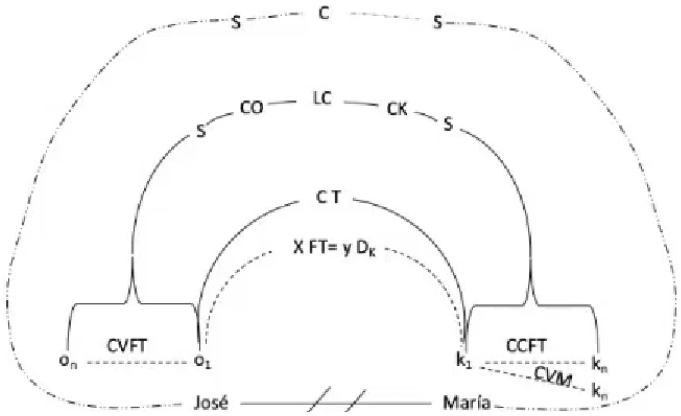
[We return to the same framework as before] We examine the development of this contradiction and what we find is this: capital needed the supply of labor power to ensure the valorization process was not interrupted. The way it can satisfy this need while simultaneously paying for labor power at its value is through class struggle. In class struggle, workers go on strike as an expression of their antagonistic relationship with the position of the universal seller, and the valorization of capital is interrupted. Capitalists implement a lockout [136]as an expression of their antagonistic relationship as buyers of labor power with respect to the workers, and the valorization of capital is also interrupted. So, what we have is that while this contradictory need of total capital in society has developed up to this point, it still lacks the development of a concrete form that overcomes this contradiction we are seeing—the interruption of valorization—so that valorization can flow. And at the same time, we have a second issue regarding this form.

[135]Iván's intervention on the condition of independent producers who are also seasonal sellers of labor power, speaks of a " semi-proletariat ", which requires further development to answer... Also another from Javiera regarding the contradiction of being able to sell labor power at its value even when it is surplus.

[136]"The International Labour Organization (ILO) has defined lockout as 'the total or partial closure of one or more workplaces, or the obstruction of the normal activity of employees, by one or more employers with the intention of forcing or resisting demands or expressing grievances, or supporting other employers in their demands or grievances'" [Source (Wiki)].

Here, the universal worker has its representative: the working class. The universal capitalist has its representative, its expression: the capitalist class. They express themselves in the class struggle. But the concrete subject we referred to earlier is neither the capitalist class nor the working class. The concrete subject that embodies the unity of the process of social production and consumption is the total capital of society, which up to this point has no expression of its own, no one to personify it. The capitalist class personifies individual capital, and the working class, the sellers of labor power. Therefore, this social relation must take a concrete form in which the antagonistic character of the class struggle appears erased in the form of a relationship of universal solidarity between capitalists and workers, and at the same time, this social relation carries the capacity to directly express the needs of the total capital of society. What form can this relationship take?

It has to be a relationship of solidarity. But if it appears as a relationship of solidarity between capitalists and workers, expressing a general interest, which is the unity of the process of social metabolism, then it can only be a relationship between personifications because there are no personal bonds here. But at the same time, it cannot appear as a relationship between personifications, because otherwise, the antagonism between the personifications immediately becomes apparent. So, it has to be a relationship between personifications but one that has the appearance of a relationship between persons. And then I illustrated it this way:



Because this is a conscious and voluntary relationship of solidarity that appears as a relationship between people. And this relationship of solidarity is the relationship of citizenship, which appears as expressing a common, general interest. Like all relationships of solidarity, it encompasses all antagonisms. Up to this point, relationships of citizenship are defined nationally.

The two universally existing forms of citizenship are citizenship by blood, as if that status were transmitted through the blood of one's parents, and citizenship by birth, as if that land (which is a natural condition) possessed the attribute of granting the individual the personal status of citizen. But to be a citizen, one must be a free individual. And consequently, one must be able to buy and sell. That is why minors do not possess the attribute of citizenship. One must be a citizen to

participate in the electoral process; minors cannot. Even individuals who were free but are now incarcerated with a final conviction cannot vote because it is assumed they cannot act as free individuals. And when an individual who lacks the attribute of blood or birth acquires citizenship, this process is called *naturalization:* the individual becomes a citizen of that country, as if acquiring natural status (since as a person one does not possess natural attributes, one acquires them as a person).

Then there are certain disconnects between the condition of being a free individual and the condition of being a citizen, which are shaped by the concrete forms that national processes of capital accumulation take at specific historical moments. Throughout the history of the capitalist mode of production, women were not even free individuals at any point in their lives. They were under the personal authority of their fathers while single and of their husbands when married. They first acquired the status of free individuals but not citizenship, and then the status of citizenship. And with the dissolution of the bonds of personal dependence, what was previously governed simply by bonds of personal dependence between individuals who were not reciprocally free, acquired the character of relationships governed by the bond of citizenship. There is the imputability of minors, who are not free but are accountable, the limitation of maternal and paternal authority over their children as if they were free individuals, but at the same time, they cannot buy and sell. Specific figures emerge that make this much more complex, but I am addressing it in its simplest form.

This dual condition—that it appears as a natural attribute of people, and at the same time requires one to be a free individual to bear this relationship, which has the appearance of a personal relationship but is actually between personifications—and through this appearance, the openly antagonistic relationship (the class struggle) has been erased. And now there is a common interest, which is that the capital of the national space reproduces itself, because if it doesn't reproduce, there is no one to sell labor power to. [Regarding what Iván said:] A situation arises in which national accumulation will encounter a barrier, the debt to the IMF, and then a relationship of solidarity emerges that doesn't simply affect capitalists or workers, but the unity of this movement. So, faced with a condition that strangles the process of capital valorization within that space, workers and capitalists, not as such, but as citizens, come out "in defense" of the unity of this process of capital reproduction.

So far we've looked at one aspect of that relationship. Now: one is not simply a citizen. One is a citizen of the state. The state is a social relationship that has an objectified existence in the state structure, that has those who embody the movement of that objectified social relationship, and that directly represents the needs of the total capital of society within that national space. It is not the representative of the capitalist class nor of the working class. I'm going to take the issue of the length of the working day.

The working class demands a limited workday, and this is where Marx refers to the state. He says: *it wrests* a specific workday from the state and establishes it. This arises from the class struggle, takes the form of a state provision that binds (has general social validity) the two parties involved in this employment contract,

stipulating that the contract cannot exceed a certain number of hours per day. The workers go on strike again because they are fighting for a shorter workday, and the total capital of society does not need a shorter workday. So the state unleashes its armed forces and brutally suppresses the striking workers.

So, the appearance when one doesn't look at the unity of the relationship is that... I'm going to summarize it between two types of statements that seem absolutely contradictory and that are two sides of the same abstraction. There's the argument that says, and which we now hear in superabundance: if the state didn't exist, society would be prosperous because capital would be at its peak. And the other, opposing version that makes the same abstraction of externality is: if the state hadn't intervened, capitalism would have ended a long time ago. But the state doesn't intervene: it acts. To "intervene," one has to be outside, and the state isn't outside the movement of capital; it's the representative of the total capital of society. And if, as we have so far, each individual capitalist is the exploiter of their individual workers, the state, as the representative of the total capital of society, is the exploiter of the working class. *Under normal conditions,* when the image of a "welfare state" appears, for the working class, all that exists in the capitalist mode of production is exploitation. It is a form of exploitation of the working class due to historical circumstances that, until now, have not been fully explained.

When we look at the state and the commodity, what we find is that the commodity is a social relation with an objectified existence that seems to spring from the free consciousness and will of individuals, yet it confronts and dominates that seemingly free consciousness and will: free consciousness is the form that alienated consciousness takes. When we look at the state, what we have is a social relation, a way of organizing the life of society, with an objectified existence that seems to spring from the free consciousness and will of individuals, yet it confronts individuals with the power to dominate them. And it has general social validity: compliance with the norm is obligatory. The state (with all the specific determinations that mediate it) reproduces the form that this general relation takes in its simplest form. All national constitutions have the form of a contract where individuals, free by nature, freely declare that they will establish a social bond that has an objectified existence. All of this is the concrete determination of free consciousness because it is alienated.

That's the marathon development I was trying to do. What follows I could only state. But if possible, and based on what Ivan had proposed, the manifestations of national solidarity... I said: I'll take the Second International, and its core is the national fragments of the European working classes, where the forms characteristic of the capitalist mode of production were most fully developed. And they have a central theme in the history of those working classes, which was the constant armed conflict: France with Germany, England and Spain, Russia with Germany and England... In the immediate past, there were the Franco-Prussian War and the Crimean War, contemporaneous with the creation of this association.

I always present it very schematically and simplistically, almost like a short story: the French and German workers who come from that history say: we are exploited in both Germany and France; if the capitalists want another war, let the

capitalists go, it makes no difference to us because we have a relationship of solidarity. They say this on both sides of the border. But what happens is that the development of capital accumulation in Europe, in particular, shows that these national spaces are increasingly having trouble sustaining their reproduction within themselves and that they need to compete in the world market, that they cannot simply produce for their domestic markets and that they will clash in this competition, and that the most powerful form of competition is war: in competition, one tries to materially destroy the other's capital, destroying their means of production, making it impossible for the social structure to function. There are other determining factors: on both sides, capital is freeing itself of surplus labor. But that will come in Volume 3.

What begins to happen within the International? French workers begin to think: if the German state wins the war and defeats the French capitalists, we won't have anyone to sell our labor power to. And German workers think the same thing in reverse. And each group says: if the capitalists in my country win, I'll have someone to sell my labor power to. And the more it becomes clear that the competition will take the form of armed conflict, the more the Second International begins to fragment. Because the relationship of solidarity—that we are exploited on both sides of the border— begins to be a relationship of solidarity within each side of the border: the French working class with the French segment of the capitalist class, and the same on the other side. And the Second International arrives… Let me raise one point first.

For me, there's a very clear expression of this situation in a text written by Otto Bauer, who was the head of German social democracy, one of the pillars of the Second International. He says: in the *Communist Manifesto,* the ending was "Workers of the world, unite! You have nothing to lose but your chains and a world to win." But that was 50 years ago; things have changed: now German workers have something to lose. And with that, he justifies the subsequent votes of German (and French) working-class representatives in parliament for war credits so that each nation-state could arm itself, and it's obvious they're going to war. And that's how the Second International dissolved. Within it, there were opposing positions, but this is what ultimately prevailed.

And I'll close with a specific national experience that has repercussions for some outside the national sphere because, as citizens, we should have a strongly antagonistic relationship. If I remember correctly, it was March 30, 1982. The CGT (General Confederation of Labor) held its first demonstration demanding better working conditions as part of a mobilization against the dictatorship. On April 2, the Falkland Islands were reclaimed, and Argentina went to war with Great Britain. That day, there was a massive demonstration in Plaza de Mayo supporting the actions of the military dictatorship. And many organizations and individuals who participated in the first march were also present at the second.

What emerges? An antagonistic relationship: the first march of the working class recognizing itself as a class and confronting the representative of total capital in society; the next, a relationship of civic solidarity supporting the nation-state, where the representatives of total capital in national society and those of the

working class were present. It took only two days for a relationship of solidarity within the working class to be reversed, becoming one that implied substantial support for the military dictatorship. And the mass of those disappeared during the dictatorship were rank-and-file union delegates. I made this reference earlier, Javiera. It had been brewing for some time because during the dictatorship itself, there was a near-war between the Argentine and Chilean states over the border. And from that point on, because the Chilean state allowed British planes and ships to circulate and supported them, the antagonistic relationship of xenophobia on the Argentine side toward Chile intensified profoundly. And 40 years later, there is still a clear memory of "what the Chileans did to us instead of showing solidarity." This is it. […] The relationship of class solidarity is not the most developed concrete form of the general social relationship in the capitalist mode of production. As a historical relationship it will be something else, but in terms of the immediate reproduction of capital, this is what we have.

Think of it in terms of the relationship between the economic base and the legal and political superstructure, which appeared in Chapter II, and which, for me, is the culmination of what we have so far. And we still haven't seen that the capitalist mode of production has no need to transcend itself; rather, what we are seeing is the way in which it reproduces itself: that the class struggle is a form of its reproduction.

To offer some hope, when we begin to examine the production of relative surplus value, which is what comes next, we will see that the capitalist mode of production needs to revolutionize itself. And that it then has a historical movement that is not simply the reproduction of itself *identical to itself,* but rather it has the need to transform itself. We must ask ourselves how far this need to transform itself extends and who is the historical subject that bears this need, which, up to this point, has not been fully expressed. I don't know if you would like to raise any further points, or if we should communicate at the end of March/beginning of April. [...]

[Recap][137]

We'll review what we covered last time, the flow of development. I think it's important to start from the beginning, which was confronting our condition as political subjects and questioning the determinants of that subjectivity, and that quick analysis we did in the first meeting, until, by questioning the necessity of our own action, we arrived at the commodity.

[§1. COMMODITIES AND MONEY

Chapter I. The commodity]

From there, I'll quickly return to what we found in the commodity analysis: here we have use values that possess an "unnatural" capacity, which is to enter into a relationship of equality with each other in exchange. If they enter into such a relationship, it's because there must be a common attribute present in both, in the same quantity. We inquired about this attribute and adopted the approach I followed rather than adhering strictly to Marx's exposition. We said: we must inquire about the action that established this attribute. This action cannot be separated from the action of establishing the use value because only useful objects are exchanged. So we look for this action, which has a dual nature: the capacity to produce objects that, as use values, are different, but which, as we had there first and foremost, serve to be exchanged; they are equal. Then we began to question the attribute, we moved away from the exchange relationship and began to see that this attribute is not natural, it is not established by natural actions, so we are left with human work as a “natural” action, but from the point of view of human subjectivity it appears to operate on the rest of nature.

We looked at work and said: it is a productive expenditure of the human body, regardless of the form in which that expenditure is made—abstract labor—but at the same time we said that abstract labor cannot be done without giving it a specific, concrete, useful form, and therefore we could look at the unity of what work is, which is the productive expenditure of the body in a specific, concrete, useful form, and separate it analytically. And we found that the productive expenditure of the body, a material condition common to all forms of social life, plays a peculiar role in the capitalist mode of production because it gives commodities a common qualitative attribute: they are all expenditures of abstract labor that can be embodied in the same quantity.

That was the first step in this analysis. Next, we stated: in abstract work, there are qualitative differences: in productivity, intensity, and later, non-normal, extraordinary complexity appeared (and ultimately became reflected as a qualitative difference). Only through work done under normal conditions do these qualitative differences disappear; there are greater or lesser deviations from that normality, but the common quality appears linked to this normality, whose simplest expression is the average (though there are more complex ones).

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[137]In this session and the next one, almost 4 months later, everything seen up to this point is summarized (chapters I-IX).

We saw that abstract labor was socially necessary, but that, in addition to being socially necessary, it had a second characteristic: it is useful to others, to satisfy the human needs of individuals other than the producer. We had progressed; there were no longer qualitative differences, and we found that, while abstract labor is socially necessary, not all human labor has the capacity to produce exchangeable objects. We then inquired about a specificity within the general condition of abstract labor. We examined the materiality of this abstract labor that produces commodities, and what we found was its form of organization: the producer of these commodities performs their socially necessary abstract labor while having full control over their individual work. They are a private and independent worker, working for others independently of those who will consume the product of their labor. At this point, we understood that commodities are exchangeable objects because they are products of equal quantities of socially necessary abstract labor materialized in them privately and independently. This answered our question as to why commodities possess this attribute of exchangeability, and it is what we call value.

The question that followed was: why is it that when socially necessary abstract labor is performed privately and independently, its product is represented as value? And commodity analysis couldn't answer this, because if we look at an isolated commodity, we can't see that it has this attribute; it only manifests itself when it enters into exchange. So we had to return to the expression of value as exchange value. It's a relationship of equality, but we had two poles that fulfill different functions. We had the relative pole (I'll grab my gnocchi so I don't leave it out): if we had 10 *Ñ* = 1 *Z,* what we saw is that the 10 *Ñ* enter into that exchange relationship to express their own value, which is never expressed in quantities of labor but rather in the body of another commodity that functions as an equivalent of the one that will express its relative value in it.

We continued examining the form the exchange relationship takes and found that the commodity at the relative pole, which enters to express its value, must prove that it is the product of socially necessary abstract labor equal to that materialized in the commodity at the equivalent pole. And yet, when we look at it, what we see is concrete labor: labor that produces shoes. And it is only because it produces shoes that its product is capable of expressing the value of 10 *Ñ.* And we said: value is social labor that must be manifested in the exchange relationship, and what we saw is that the commodity at the relative pole has to prove its value by entering the exchange relationship, and it does so by equating itself with a commodity that, in that relationship, only demonstrates that it is the product of private labor.

So, we have that the social labor materialized in the commodity at the relative pole is expressed through the private labor of the commodity at the equivalent pole. The commodity at the equivalent pole doesn't have to prove anything: it already enters that relationship as an expression of socially necessary labor, as an expression of value, whereas the commodity at the relative pole (which can only enter the exchange relationship because it also has value) has to enter that relationship to prove that it actually has value. As long as it doesn't enter the

exchange relationship, it can't prove it. If something that aspired to be a commodity has been produced by labor that isn't socially necessary, it cannot enter the exchange relationship; it will become clear that it isn't, or never was, a commodity.

We then examined the development of the value form, and it presented us with the problem of why, if value is quantities of labor, it is not expressed as quantities of labor, as its substance. Added to this was the question of why labor performed privately and independently takes the form of commodities, and why materialized labor is represented as value. And the fact that its substance is quantities of labor, yet its form is quantities of the body of another commodity, confronted us with the problem of expressing the magnitude of value, which depended not only on what happened to the movement of the value of the commodity at the relative pole, but also on the value of the commodity at the equivalent pole.

If, in this mediation, the productivity of labor changed in the commodity at the relative pole, its value changed, while the productivity of the commodity at the equivalent pole did not. This change in the value of the commodity at the relative pole was unequivocally expressed in the expression of value. It could happen that the productivity of labor producing the commodity at the relative pole did not change, but that of the commodity at the equivalent pole did. In this case, the expression of the value of the commodity at the relative pole, in terms of quantities of the commodity at the equivalent pole, changed even though its value did not. And if the productivity of labor producing both occurred in parallel, the value of both changed, but the expression of value did not. There can be a whole series of combinations. Even the decrease in the value of one commodity, if that of the equivalent pole decreased more than proportionally, appeared as an increase in the expression of value. And this presents us with the problem of how to identify the movement, and it is not possible to recognize it immediately unless one can examine what happened to the productivity of labor producing each commodity.

Next, we unfolded that expression of value. First, we looked at the relative expression in which a commodity expressed its value in terms of the quantity of all other commodities in society. And there we began to see not only that the abstract labor materialized in the 10 *Ñ* had a social character because it was capable of being equated with the abstract labor materialized in 1 *Z,* but now the very expression of value, the exchange value itself, shows us that there is a common attribute between the labor that produces the gnocchi and the labor that produces all other commodities.

We reversed the relationship, and instead of having a series of special equivalents, we now have the possibility of a single expression: the universe of commodities expressing their value in a single general equivalent, which can never express the magnitude of its own value. We looked at the development of exchange relations and what emerged was that the full expression of value is not simply this general equivalent, but that in the development of exchange, this general equivalent comes to be socially recognized as fulfilling the function of expressing the value of all other commodities, and then we are faced with its development as money.

Now we find ourselves—and this relates to the method—contrasting this with what constitutes a logical representation. We began by saying: no commodity, being separated from the exchange relation, can demonstrate that it is value. And now we encounter the development of the value form, which shows that there is necessarily a commodity that expresses value even if it is not in an exchange relation. What it cannot do is express the magnitude of that value, but I look at money and I know that it is immediately exchangeable for any commodity.

So, we arrive at the question: this is the general social relation, the way in which society establishes the unity between social production and consumption. At the beginning of each cycle of the social life process, the unity between the individual character of labor and its social character must be established, and the same with individual and social consumption. What concrete form the establishment of this unity takes is, from the point of view of unity itself, assigning to each member of society what useful work they will perform for others, and therefore what concrete use-value will be assigned to them for their individual and productive consumption. From the point of view of each of the individual organs of this process of social metabolism, the question is how each of these organs recognizes itself as an individual organ of this unity in production and in the process of consumption. And this is what we saw as consciousness, the way in which each individual carries within themselves the capacity to know themselves as an individual organ of the process of social metabolism. So, we asked ourselves about the consciousness and will of the commodity producer, and we found that he faces the product of his labor as something that has a peculiar attribute.

I contrast this with Marx's approach, who asks where the "mysterious" nature of the commodity comes from. What he does in his analysis is what we saw earlier; there, the idea I presented with the double diagram is hinted at. He says that the materiality of labor as abstract labor, as the production of concrete use values, doesn't come into play because these are common to all forms of society. What is peculiar is the way in which each member of society is assigned what specific useful work they will do and what they will consume. When one looks at the capitalist mode of production, in short, to put it in this simplest form we have so far, it is… At the moment when the cycle begins among the individuals of society, the only link is that each person possesses an individual share of society's labor power. But this individual share belongs to the general labor power: it is not assigned in a specific, concrete, useful form. It is the awareness and will of these producers that will define what concrete form they will give to the expenditure of their individual share of labor power.

occurs without immediate unity with social consumption, and now unity must be established indirectly. Just as there is no personal bond between these mutually free individuals, who therefore have full control over their individual labor, which implies private ownership of the means of production, they cannot be directly linked to one another through their status as persons: they can only be linked indirectly, through the social attribute of their commodities. The product of socially necessary abstract labor, materialized privately and independently in a commodity, is capable of entering into an exchange relationship with another

commodity that is the product of the same quantity of socially necessary labor. Value is the bearer of the indirect unity of social production and consumption. Producers recognize each other as having produced something useful for others through this autonomous mechanism established in the exchange of commodities, where commodities enter into this relationship because they possess the attribute of being values.

Marx then says: the mysterious aspect is that human beings perceive what is an attribute of themselves as if it were a natural attribute of things, and therefore they behave toward them as if they were fetishes that inherently possess the power to change, to dictate what constitutes socially useful labor, who acted or did not act as an individual organ in the process of social metabolism. And so they perceive it as a social power that is alien and dominates them. I proposed, developing this idea, that consequently there is a relationship here between individuals who possess a free consciousness because they can establish a relationship of unity within their process of social metabolism; they can recognize themselves indirectly in their condition as individual organs, as a power inherent in the commodity. Consequently, the free consciousness of these commodity producers is the form their alienated consciousness takes.

[Chapter II. The Exchange Process]

In Chapter II, what emerges is that we now need to examine the movement of exchange of commodities. And the first thing that appears in this movement is the possession of the commodities. It seems that at first glance they have the power to control the commodities, but it immediately becomes clear that they must act as personifications of the commodities, consciousnesses and wills placed at the service, first of producing value, and now of making value manifest in the exchange relation. What Marx will argue is that this indirect relationship between things must take shape, be realized, through a direct, conscious, and voluntary link between their possessors, between persons in their capacity as personifications. Herein lies the expression of the superstructure of legal relations.

The next question that arises is: how can free, independent individuals, who see themselves as equals because they exchange equivalents, grant one of them the power to produce a commodity that is immediately exchangeable for any other? We need to go back to the historical development of the commodity when it is not yet the product of individuals who see themselves as equals. Then comes this schematic development of the commodity, which begins to be an object exchangeable by the will of those who exchange it—who are neither free nor isolated individuals, but communities. We see how the power of the commodity in this exchange dissolves the bonds of personal dependence, which first appear between communities and then permeate each community. We see how, increasingly, the unity of social production and consumption is established through commodity production, and consequently, how commodities are increasingly exchanged as materializations of equal quantities of socially necessary abstract labor, and how the consciousness and will of their producers are increasingly determined as personifications of their commodities.

In this process, a commodity emerges that, while not yet fully defined, is used as a mediator in exchanges. As the commodity transforms from an object exchanged at the whim of those who exchange it to one exchanged through the materialization of a substance of value that determines the will of those who exchange it, this commodity, acting as an intermediary, shifts from facilitating exchange to becoming the general representative of value in money. The explanation then becomes clear as to why gold fulfills a purely social function as an expression of the world of commodities, yet what matters is the materiality of the body of this commodity: it must be able to be fragmented and reassembled without losing its use-value, its use-value must not deteriorate so as not to lose its use-value, and it must encapsulate relatively large magnitudes of labor in relatively small quantities of use-value. And a historical development will emerge showing how this function falls to gold. Marx will make a still intermediate development and in Volume 3 the problems of having two commodities that are capable of representing the world of commodities, but which will converge towards gold, will appear.

[Chapter III. Money, or the circulation of commodities]

In Chapter III, the exercise of the exchange movement will appear, but before it can be set in motion, we must examine the functions that money fulfills. We already know that it is a measure of value because it itself has value. But the function of standard/measure of prices emerges [138], where what is compared are different quantities of gold with each other, which embody different quanta of socially necessary abstract labor materialized in them. And a monetary name is given to these quantities. And here, for the first time, a determination appears that is external to the movement of commodities themselves: that it is the state that has the power to establish the monetary name and the function of money as a price standard.

Under these conditions, we begin to examine the exchange process and find that it starts with a sale followed by a purchase, but when we look at the sale, it is itself also a purchase. We must analyze the two phases of this process. In the sale [M – D], the commodity owner appears (it is unknown whether they produced it themselves or acquired it through another means). They exchange it because, for them, it is not a use-value, and their problem is the commodity's leap of faith: it must prove its value by entering into the exchange relationship with money. The one who fails in this leap is the owner because they are left without a social relationship; they cannot participate in social consumption if they cannot sell, if they did not bring a use-value that carries value into the exchange. From the buyer's perspective [M-C], they do not have to verify anything because their commodity represents value. The question is whether what they have before them is a use-value for themselves. If it is, they will move the commodity from the sphere of circulation to that of consumption, which can be productive or individual.

[138] **JIC** [later, but I'll add the clarification here]: I forgot to mention that price is the expression of exchange value in money, therefore an expression of value in money, which is very relevant to Volume 3.

So we have this cyclical movement of commodity metamorphosis. If we unpack it, we'll find the indirect unity between social production and consumption, and that only what is a commodity enters in; outside that is what is the product of labor, which may be done privately but is not socially necessary. Here, there was a whole movement of the commodity's dual manifestation: it has to prove that it is use-value, but what its possessor seeks is for it to be converted into money. And on the other side, there is the one who cares about use-value, who brings the expression of value to the exchange. This is the unity of the exchange process. Marx will argue that within this unity, what can happen is that, since they are two movements separated by money, the first metamorphosis occurs but not the second, or the first is separated from the second. Consequently, the *possibility of a crisis arises,* that this unity cannot be established. But only the possibility.

In the exchange process, commodities enter and exit, while money remains within it, acting as a medium of circulation. This creates the appearance that the movement of money moves commodities. What Marx emphasizes is that this is not the case; rather, it is the movement of commodities that is reflected in the movement of money. When examining the functions of money as a medium of circulation, it becomes clear that, despite the material attributes of gold, it can be degraded in circulation, and the monetary name of money can become separated from the substance of value it embodies. Marx argues that in circulation, this is irrelevant unless it loses absolutely or substantially that magnitude of substance of value, because the only condition for receiving money as a medium of circulation is that it be accepted as representing a quantity of value that exists in the name but not in the substance of that money. This leads to the possibility of gold being replaced by signs of value.

What will emerge there is the contrast between the laws governing the circulation of gold as money and those governing the circulation of tokens of value. A specific quantity of gold enters circulation because it has its own intrinsic value. All tokens of value enter circulation because they are inherently valueless. However, if more tokens of value are put into circulation than are nominally equivalent to the gold entering circulation, each of these tokens of value will lose a proportional part of its capacity to represent value, and this will be reflected in an increase in the prices of commodities measured in tokens. Consequently, for a token of value to function, it must have legal tender status, which is established by the state.

Looking at this function of money as a medium of circulation, a new function of money emerges from this movement: as a means of hoarding, as a treasure. Here, the first metamorphosis of the commodity into money occurs, but money is withdrawn from circulation and becomes a treasure. And here the figure of personification changes: the hoarder has a specific difference from the mere possessor of commodities. There is no limit to the use values required because what is needed is value. Thus, the treasure can always grow beyond its current holdings. I will leave aside some of Marx's aspects regarding the aesthetic form of the treasure and so on. What emerges is a function of hoarding that is to serve as a gold reserve. When circulation requires more money, the gold is melted down and minted, and when there is a surplus, it is withdrawn from circulation and becomes

a treasure. The treasure then operates as a buffer, regulating the quantity of gold. What governs is the amount of gold needed in circulation, but since it is an indirect regulation, it needs this lung to be able to flow.

The next function of money is as a means of payment. Here we see another shift in personification: the seller becomes the creditor, and the buyer becomes the debtor, a relationship that extends over time. The movement has been reversed because now there is a purchase followed by a sale. One bought without having sold; now one must sell to obtain money. The purpose is not to possess use value but to possess the general social relation set in motion through circulation. Here we will find something related to what we were going to start looking at today. Marx refers to the fact that in classical antiquity (Greece and Rome), the class struggle is the struggle between creditors and debtors and ends with the transformation of debtors into slaves; in contrast to what appears in the *Manifesto,* where the history we know up to this point is the history of class struggle, and here we see slaves and masters, etc. So, there is a contrast between a reference to the specificity of class struggle within the capitalist mode of production and a general development.

I skipped a part I need to return to. Marx looks at the money used in nation-states, and on the other hand, at world money: here, money loses all national uniformity, it no longer has a monetary name, it's a quantity of gold in the form of an ingot… And that's how it functions as money in the world market. I was pointing out that in our experience, world money doesn't take the form of gold, and there are "national uniforms" everywhere functioning as world money (but they are certain national uniforms). That national treasuries aren't in gold, but in debt securities, which arise from the function of money as a means of payment, because it's a promise to pay. And so, in order to develop the movement of money as world money, all of that required having unfolded a series of determinations that are far from being addressed here, and that's why we only highlighted this contrast and we have to look at it much later (something appears in Volume 3, but the complexity of those determinations goes much further because we have to explain the specificities, the national differences).

In the exchange process, indirect unity can imply not simply that something intended to be a commodity, but lacking social use-value, is excluded, but rather that commodities retain their use-value but have been produced in excess or in deficiency relative to what is considered normal, the standard unit. These then enter into the exchange relationship, and the solvent social need (the one that can be represented by money, the only social need that matters in the capitalist mode of production) must expand if there is a surplus of commodities relative to the standard, or contract if production has fallen short. Consequently, a commodity that is the product of a certain amount of socially necessary abstract labor will appear in the exchange relationship as if it could be exchanged for other commodities that contain more or less value than itself. Surplus commodities will be exchanged at a price below their value, while others will be sold above their value.

Marx uses the expression that substance or magnitude of value will be "added" (if it is sold above its value). Magnitude is the quantitative aspect of substance, and this expression has given rise to a series of arguments that are very relevant today. These arguments consider that what is specific to the capitalist mode of production is not the private nature of labor, but its abstract nature. This transforms the physiological material condition of abstract labor that Marx explicitly describes (and which, when one examines the unity of social metabolism, is seen as a material problem of allocating the capacity to work). Marx argues that supply and demand determine the value of commodities. What happens is that someone who has materialized a certain magnitude of value in their commodity will receive in return the product of a larger or smaller quantity of socially necessary abstract labor than they invested. But from the perspective of the unity of the social metabolism process, all the product of socially necessary abstract labor will enter into social consumption. In circulation there is a movement of value from some owners of commodities to others.

We paused to emphasize the antagonistic nature of the relationships between possessors of commodities, which immediately arises between buyer and seller. And since we are all buyers and sellers of commodities, there is a general antagonistic relationship not between individuals, but in the condition of being personified. What interests one is the opposite of what interests another, between buyer and seller, between sellers who compete with other sellers, and buyers who compete with each other. Therefore, the legal relationships we observed between personified entities are all antagonistic. But through this relationship between personified entities—the contract—what has emerged up to this point is the competition between those at each pole, the way in which unity is established, the form that the material unity of the process of social metabolism takes. We have this indirect relationship that determines the consciousness and will of individuals as personified commodities, which enters into this direct, conscious, and voluntary relationship of an antagonistic nature.

[§2. THE TRANSFORMATION OF MONEY INTO CAPITAL]

Chapter IV. Transformation of Money into Capital]

When we initially considered the exchange of commodities, we stated: only equivalent commodities can be exchanged. However, when we examine the general concept of unity, starting with the question of why commodities are exchangeable objects *in their normal state,* we find that, because this normal state takes the form of a constant fluctuation around it, commodities can be exchanged even though they are not strictly equivalent. And again, if we were in the process of developing a logical representation, this would be inadmissible: we would have to say that the simplified model has been falsified by the concrete model. This is the problem that arises in approaches that posit supply and demand as determining the value of commodities: they attempt to explain the exchangeability of commodities by the fact that they are exchanged, by the specific way in which they are exchanged; or they propose that value is common to all forms of society, but that commodity value is specifically characterized by exchange. Thus, value, the attribute of exchangeability, is explained by exchange itself.

If we came from a movement in which money arrived as a result of the cycle, which tells us that the purpose of this social production process is no longer the production of use values mediated by the production of value, because hoarding tells us that the purpose is the production of the social relation, and now we see that it is the social relation, but to place it in the context where it is exercised, we encountered the movement of money as capital. And in that movement of money as capital, the cycle of metamorphosis was changed; it began with money, was mediated by the commodity, and returned to the money form [M-C-M]. We will see that when it begins in Volume 2, it will unfold this. The other thing we saw was labor in circulation, but we will look at that later.

Unlike the movement of commodities, where money acted as a medium of circulation and the purpose of the movement lay outside of it, here the movement ends where it begins, and its purpose is inherent in the movement itself. What sense does it make to start with the general representation of social wealth and transform it into particular commodities that must then be re-evaluated as materializations of socially necessary, socially useful, privately produced abstract labor, only to return to the same state it had at the outset? The only thing that makes sense of this is a quantitative difference: that there is more money at the end than at the beginning.

When we examined who the subject of this movement of money as capital is, it appeared that in this cycle no personal need of the capitalist is satisfied: on the contrary, such satisfaction removes money from its movement as capital. And we found that the objectified social relation itself acted as a subject, transforming its material form to reproduce itself in an expanded form, and restarting this movement *as if* it were a living subject. And here, what appears—I don't think I raised this last year—is something else that appears in the form of the opposite of what we initially found, and which we can only discover from this appearance of being the opposite. When we looked at the function of money as a medium of circulation, it appeared that the content of the movement is given by the movement of commodities; money passively reflects this movement and seems to be what makes the commodities move. And now what we find is that money as capital is the subject of the movement; it is what makes the commodities move.

If we begin by saying that in the capitalist mode of production, at the moment when social labor must be set in motion, there is no social relation between individuals—the only relation being that each person embodies a share of society's labor power—we now find that this is not the case: there is a social relation that sets social labor and consumption in motion, and that acts as a subject that produces itself. And again: only by having first discovered that it was not money that made commodities move, that this was merely an appearance, can we now discover that, in the concrete form of capital, money is what drives the movement in general, and that consequently the immediate purpose of this movement is the production of more value, of surplus value, not of use value.

The question is: how is it possible for more value to arise from an exchange of equivalents? It's impossible. Consequently, in this transformation of money into a

commodity, money must have become a commodity capable of producing more value than it already costs. What produces value? Labor. Therefore, money must have become the source of value, of labor, which is the labor power of the workers who sell their labor power. The first condition for labor power to exist as a commodity is that its seller be the private owner of their own labor power, and therefore a personally free individual. Why does this personally free individual sell their labor power? Because they are separated from their means of production. This separation cannot be a product of nature, but rather of social history. But what matters here for answering this question is not where it arose, but the fact that they exist as sellers of their own labor power. We then have the doubly free worker.

The next question is how the value of their labor power is determined. Like that of any other commodity: it is determined by the amount of socially necessary abstract labor that was privately and independently materialized in producing that commodity. We paused to consider this and said that the labor the worker does to reproduce their own person is not part of the value of labor power because it is not social labor; it is simply individual, organized immediately by the individual who will perform it. The labor that other members of the working-class family do so that the members of the family who sell labor power have labor power is social labor, but it is not done privately and independently; it is organized on the basis of bonds of personal dependence. It is materialized in the labor power of the sellers, but it is not part of its value. What constitutes the value of their labor power is the socially necessary abstract labor materialized in the commodities that the workers need to consume in order to have labor power. But since this labor power is produced within the working-class family, and the members of the working-class family who must work within it to produce the labor power of the sellers also need to consume commodities, the value of these commodities forms part of the value of the labor power of the selling members. And since the family is responsible for the renewal of labor power, the commodities that the children of the working-class family must consume to have labor power to sell in the future also form part of the value of the labor power of the generation responsible for producing that future labor power.

So we have the determination of the value of this commodity, and we can go on to see what will happen. But since Marx has been looking at this in the process of circulation, he makes this key observation throughout his work, which relates to aspects of the method: how the buying and selling of labor power in circulation presents itself as the realm of freedom (because the worker and the capitalist are free individuals), of equality (because they exchange equivalents), of private property (I always add: based on one's own labor—apparently), and of self-interest [Bentham]. And Marx says: that is where the ideologues of capital will look to see how this works. We have to leave this public sphere of circulation and go to the private sphere of production, where what we will see is how capital produces, how it produces itself as the subject of this process. […]

[§3. PRODUCTION OF ABSOLUTE SURPLUS VALUE.

Chapter V. Work Process and Valorization Process]

We enter the production process and find that, above all, it is a material process where the issues we initially raised arise: that work is a conscious and voluntary activity, governed by the consciousness of the individual worker. The subject of the work process is the worker, who uses the means of production. And here we see the development of different material forms of the means of production: those that enter as raw materials, auxiliary materials... whose materiality is entirely consumed each time they are used; the raw materials that become the object of labor; and the instruments of production, some of which are entirely consumed each time they are used, and others over a series of production cycles, requiring only periodic replacement when their useful life is exhausted.

In the development of this, an aspect of the materiality of the labor process emerges: the way in which this labor is organized. And here the figure of the capitalist appears, the one in charge of organizing the worker's labor, whose labor power he has purchased and to whom it belongs. When Marx begins, he clarifies that in the concrete movement, the worker extends credit to the capitalist, but to examine the movement of capital in its purest form, we will consider the reverse: the worker is indebted to the capitalist and, throughout the working day, must deliver the use-value of his commodity. When we look at the doubly free worker, what we see is that he no longer has *full control* over his individual labor. Control over the organization of labor, the decision of what, how, and how much will be produced, is no longer an attribute of the direct producer but is separate from them. But I emphasize that he does not lose the capacity, inherent in a free individual, to control the immediate execution of his individual labor. He has lost that aspect, but he is required to have the consciousness and will of a free individual in controlling that execution. I say this because there are arguments that refer to the fact that the worker lost *all* control over his individual work process, but then he wouldn't be able to work.

This peculiarity then emerges in the organization of private labor, which is a first step in the socialization of private labor. Because now it is work performed privately and independently outwardly, but internally there is a free individual who controls the work of another free individual, which is not the individual labor of the capitalist. From the capitalist's point of view, what he controls is someone else's labor, and therefore it is a form of social labor.

And with this, we move on to the valorization process, where we see the consumption of this commodity whose use value, from the perspective of capital, is to produce more value than it costs. We see in the unfolding of the working day how the worker expends this labor power, how it disappears from the worker's body, but at the same time, how they produce a new value that did not exist before. The key to the production of surplus value is that the worker's labor productivity be high enough so that they can work a greater amount of time during the workday than is materialized in the commodities to which the value of their labor power corresponds—that they can deliver more labor than they receive in return.

Consequently, what we will find is that the capital invested in purchasing labor power at its value, when put to work for a longer working day than is necessary to reproduce it, produces new value for part of that day, which replaces the labor power consumed. For the remainder of the day, it produces new value without a corresponding return, which constitutes surplus value. This is why the capital invested in purchasing labor power is called variable capital, because its normal function is to increase in value (regardless of whether variable capital might be lost due to some unforeseen event).

[Chapter VI. Constant Capital and Variable Capital]

I skipped the order [Chapter VII ↔ VI [139]], but when we look at the capital invested in the means of production, constant capital, we see that it is dead labor, the product of previous living labor, and it has no way of being revived and transformed back into living labor. When one looks at the worker's labor power, one has before oneself the product of previous living labor; that is why it has value. But this product has the capacity to be transformed back into living labor, and into more living labor than was materialized in it. Therefore, all that happens with respect to the capital invested in the means of production is that it is socially necessary abstract labor that was expended in order to produce this commodity, and that it must be recognized again as socially useful labor in the material form it has taken. But it has no capacity to revive its value, and all that happens is that its value reappears transferred in the value of the product. That is why the name constant capital appears. The possibility arises that the value of constant capital can change, but this has nothing to do with the process of surplus-value production.

So, we have two portions of capital that move in two completely opposing ways. Variable capital is consumed in the production process, it is annihilated, and just as the worker's labor power disappears, the commodity that carries that value no longer exists, and that value no longer exists, but the worker is producing new value: part of it replaces the variable capital that was consumed, another part constitutes surplus value. In contrast, constant capital is not consumed: it is materially transformed and reappears in the value of the commodity.

[Chapter VII. The Rate of Surplus Value]

We have the key to understanding how money, functioning as capital, can appreciate in value, and this immediately presents us with the first appearance of circulation: equality prevails here because there is an exchange of equivalents. What we find is that the worker gives more labor than they receive in return, and therefore the worker's labor power is exploited by the capitalist in the name of capital. In short: the worker is exploited by capital. Not because they sell their labor power for less than its value, but because they sell it for its value. What underlies this is that the use-value of this commodity for the buyer is that it produces more value than its intrinsic worth.

[139] I have ordered this paragraph and the next according to the original order, since JIC presents them out of order.

How is this exploitation of the worker by capital expressed? Through the rate of surplus value: what part of the workday the worker labored for free for capital and what part was necessary for its reproduction. Here the expression "necessary labor" appears with a new development: previously, in the abstract concept of socially necessary labor, what was necessary was the productive expenditure of the human body required to produce commodities, and now it means necessary *to produce the worker.* A determination of what is strictly necessary from the perspective of the capitalist mode of production has emerged. The material form that this division of the workday takes is: necessary labor/surplus labor, necessary product/surplus product, and value of labor power (variable capital)/ surplus value.

Here we have the length of the working day, and what governs the rate of surplus value is necessary labor: it's not an independent component, it's a residue that arises from necessary labor when the working day is fully extended. The key to answering the question of surplus value is what happens to the value of labor power and to the working day. Later we'll see how, ultimately, it's the value of labor power. With that, we arrive at the question of the concrete form that the exercise of this general social relation takes. Marx posits the length of the working day as the concrete form around which he will develop his argument.

In the example I used, capital needs a reserve of labor power. Another point is that Marx observes and develops concrete forms, and the concrete form is the antagonistic relationship between worker and capitalist. This relationship transcends isolated individuals, tending towards a convergence of sellers of labor power at one pole and buyers of labor power at the other. What emerges, then, are the universal worker and the universal capitalist. These universes take the form of the working class and the capitalist class. The antagonistic relationship between seller and buyer takes the form of class struggle. The need for this tendency towards universality at each pole is the antagonistic relationship of competition within each pole. And the need also arises for the class struggle to take the form of direct regulation by the state. We focused on all this not simply as if it sprang from the concrete form, because then the regulation of the workday by the state appears, but looking at it, so to speak, in the *unfolding* of this relationship.

Alejandro: In one of the classes you mentioned that the work of an individual dedicated to the production of their own labor power is not represented in the value of that labor power. I'm not clear on why.

JIC: It's neither private nor social work. But what's at stake there is complex work as opposed to simple work. The value of labor power can never be determined by the work one does for oneself because it's not social. What does factor into the value of labor power that requires learning is the cost of that learning process.

Let's assume simple commodity producers, to keep things simple: a private, independent teacher sells their commodity for its value. The value of that commodity is included in the value of their labor power, whether it's specialized labor power (the teacher has more work to do) or not. The books this individual

has had to study are also included in the value of their labor power. So far, it seems this only applies to intellectual labor. But let's suppose they have to do specialized work that requires physical strength that can only be developed specifically to achieve above-average strength, and they need to go to the gym. The time they spend getting stronger isn't part of their labor power, but the cost of the gym is. And if this isn't normal, their labor power won't cost the same as normal labor power, but their work will produce more value in the same amount of time than simple, general labor. This is the labor that will appear multiplied in the value of the product, because it's work the producer had to do to have the capacity to produce this non-standard commodity. Because if it's normal, it's balanced for everyone: we all do that work, we all need the same amount of commodities, and therefore this is the value of our labor power and this is the value we produce, solely associated with the time we spend working, immediately producing the commodities. But if there's an individual who has to do abnormal work to be in a position to produce this…

When you compare it to a society where personal dependency exists, society assigns that individual, who will be able to consume more, more use value because they are not yet in a position to produce. But that's not the case here: no one is going to take pity on the individual and say, "Because you had to study or exercise more… tough luck." Here, the form of recognition is that when you work and produce your product, that work encompasses the amount of direct labor plus the amount of exceptional work you did to produce yourself—that's complex labor. But the value of your labor power has nothing to do with the work you did, but rather with the social labor that others did so that you have labor power.

Within Marxism, there are countless arguments about whether it should be included, whether it shouldn't be included… Nothing. […] This work must meet certain requirements: it must be social labor and be done privately and independently; only in this way can it produce value. The work one performs personally is neither social nor private. But when one goes to work for others with that level of development that isn't typical, it's recognized that, in order to be in a position to work, one had to work more; this will be considered socially useful labor, which one did privately, not directly socially.

[Alexander, regarding Chapter VIII:]

1) Ask at what age one begins to sell their labor power.
2) [He asks whether the concept of "simple commodity producers" (free peasant and artisan) corresponds to concrete historical development].
3) He mentions that, in debating the method, some argued that Marx assumes perfect competition in *Capital.*

[**1**] Up to this point, age has been presented as a circumstance external to the movement of capital. What must be considered is that general development revolves around the normal reproduction of the movement of social production and consumption. When we begin with relative surplus value, the very form of

competition will appear for the first time (up to this point we have only spoken of antagonism). That remains to be answered.

[2] Regarding the historical character of the simple production of commodities, we touched on this last year, but it is important to revisit it. Marx began his analysis by saying: “In societies where the capitalist mode of production prevails, social wealth appears as an immense accumulation of commodities, and the commodity as its elementary form.” What did we see in Chapter I? The purity, the fullness of social labor performed privately and independently, the simplest form of determination. And we were examining this within the capitalist mode of production; when we asked ourselves what a commodity is, we encountered these determinations.

Last time I made a reference to this (it's raised in Chapter IV and developed in the value section). Two things happened: commodities are no longer simply products of labor; they are now products of alienated labor within capital, and therefore products of capital. We moved beyond circulation with its four appearances and examined what happens to production. Now, with the question of the length of the working day or the need of total capital in society to have a constantly available supply of labor power, we move into a realm where the unity of movement is at stake, which is no longer that of production.

But the other aspect is this: when we begin to examine the relationship between capitalist and worker in Chapter IV, and then fully when we look at the material process of production, we find for the first time that in the capitalist mode of production, the fullness of social labor performed privately and independently does not exist. If up to Chapter III we stated that the condition for producing commodities was to be the private owner of one's own means of production, in Chapter V it appears that to produce commodities one must be separated from one's own means of production. And that is no longer the fullness of private labor. Why?

Upon completing the analysis of the material aspects of the production process, it became clear that the worker labors under the control of the capitalist: a free individual who does not have full control over their own labor. At the same time, the capitalist is a free individual who has control over the labor of another. It emerged for the first time that this individual labor is not simply individual: it has a social character; there is one individual working under the command of another, and another commanding the work of the first. We no longer have the completeness of private labor; it began to manifest itself that the defining characteristic of the capitalist mode of production is the socialization of private labor. We could only arrive at this conclusion by starting from the premise of the purity of private labor. We begin with the capitalist mode of production, with the *form* that the product takes—the product of labor with its dual character, SNALdPaI … I don't know if it's relevant whether a process of simple commodity production was historically present or not. In Chapter II we saw a very schematic historical unfolding where it doesn't even start with the simple production of commodities, but with a simple exchange of commodities between communities (not between individuals), and in that development what could be a private and

independent producer in the fullness of his determinations appears to us more and more, but we didn't care because what we wanted to see was not what happened to that individual historically, whether he subsisted or not, but how the condition of money falls on gold, giving the producers of gold the privilege that the product of their private labor is recognized as immediately social.

I emphasized when we began this entire development from within the capitalist mode of production because of this initial premise: we are subjects of the capitalist mode of production, and what we want to question is our own condition as subjects, and these are the determinations we face. Now, in Marxism, a whole discussion arises about whether Marx considered that there was a simple production of production and whether the historical genesis of capitalism stems from it or not. Especially in the current schools of thought, which come from the arguments of Isaac Rubin, the argument emerges that Marx did not believe there was a simple production of commodities prior to the capitalist mode of production and that this is an invention of Engels.

In contrast, when we look at Chapter I, Marx says something like: the development of the simple form of value is the development of the genesis of the commodity. This presents a proposition of this concrete historical character. When we begin to examine what a worker selling their labor power is, the contrast is with a simple commodity producer, and Marx argues: let's take it as it comes—in historical development—what a simple commodity producer consumed in order to reproduce themselves, and the only difference is that they were separate… When we look at the length of the working day and the rate of surplus value, there was no determination outside of what could arise from the preceding historical process. I don't want to get ahead of myself because it's the penultimate chapter of Volume 1, which we have to reach this year (primitive accumulation). Now: there's a section in Volume 3 (they all clearly understand that Volume 3 was a draft) where Marx *explicitly* states that before the capitalist mode of production there is simple commodity production, and at the end of Volume 1, what he goes on to develop implies the same thing. Engels is accused of having moved the paragraph from the draft, but the paragraph was there, regardless of its location.

Marx's exposition is… Taking historical development as if it were the origin of the capitalist mode of production, surplus value appears, along with an individual who is a mere commodity producer, existing before surplus value and now separated from their means of production. I tend to see it more as a development from simpler forms (regardless of whether there is historical development) toward increasingly complex concrete forms that lead us to the full development of the capitalist mode of production. But no one can say that Marx's analysis doesn't include references to a historical process involving mere commodity producers. From my perspective, a society of mere commodity producers in its purest form is impossible, because they lack the means to establish unity.

When Smith develops this theory, he's starting with a society of simple commodity producers (for him, this is natural, the origin of human life). He very quickly explains the difference between the *market price* and the *natural price* (value), the difference between value expressed in money and the market price.

What we saw regarding the divergences in how the indirect unity between social production and consumption is established—commodities that are sold below or above their value—in that chapter, Marx doesn't address the mechanism through which this occurs. He states: this happens; this is the content. The form is missing. Smith develops the form from the outset, and form in a simple commodity production system is impossible.

Let's take Mrs. *Z* and Mr. *Ñ.* There's a surplus of gnocchi and a shortage of shoes. Mr. *Ñ* can't start producing *Z* because he lacks the necessary means of production: every independent producer of commodities is tied to their means of production. The situation here is inexplicable, and this relates to what you were saying about competition: competition as a unifying mechanism isn't present; it's mentioned but not implemented. In my view, in a society of simple commodity producers where the antagonistic nature of competition is already evident, the problem arises that there's no material means for the movement from one branch of production to another.

When you look at it within the historical process, where there is commodity production, there is generally a direct social relationship that gives unity to the movement; there is some direct authority that provides unity. In feudal society, there are the feudal guilds: Lord *Ñ* belongs to guild *Ñ,* which tells him: if we are going to produce too many *Ñ,* you have to produce this much, you this much, and you this much… And they have a royal dispensation that says no one else can produce *Ñ,* even if the people are starving because of the shortage. And the same applies to the *Z.* And that is what establishes unity. So, the fullness of commodity production (and Marx will argue this several times) is always achieved in the capitalist mode of production. That's why for me the question of what existed before is not relevant: it's preferable to frame it as these being the determinations one sees: a given day, a given value of labor power, given productive attributes (there is a doubly free individual)... and we didn't stop to look at it.

[**3]** Since Marx doesn't address the forms of competition here (he only makes a reference to it in the chapter on primitive accumulation and explains why he will dwell on it), it's nonsense to say that he assumes perfect competition or anything like that. That's a fantasy of neoclassical economics. There's a very marked difference with respect to what we were saying about the unity between social production and consumption. When neoclassical economics looks at the elasticity of demand and supply, cross-price elasticity, and so on, it never considers that it's looking at the overall unity of social production and consumption, and that consequently, to explain why it moves in one way or another, the first thing it has to do is explain that unity.

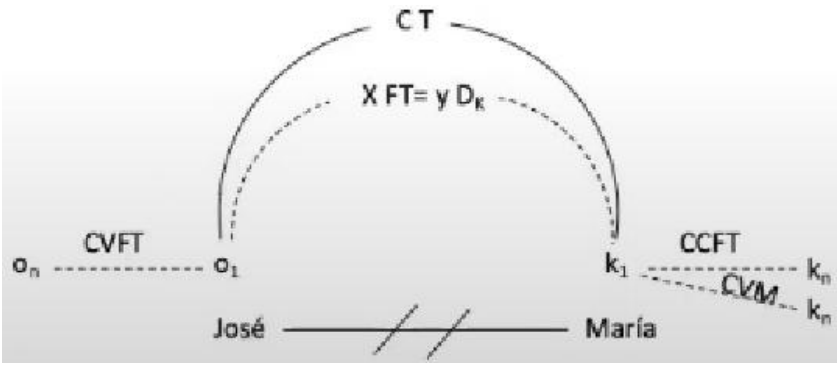
What is a social need? Up to this point, we've said that there is a solvable social need, but we haven't explained why one thing is solvable and another isn't. Neoclassical economics, which only sees the unity that Marx develops, focuses on isolated movements that attempt to explain everything through the form they claim the market takes, instead of explaining the exchange of equivalents and, consequently, the imposition of value as the rule of exchange and its deviations. It views these deviations as if they were self-explanatory. Why do some people

question Marx on this, attacking him? Because they think that value is determined by utility, scarcity, and the abstract will of individuals, they don't take any explanation that transcends that seriously. But they don't know what to say when asked why their friend's gnocchi are priceless.

When this argument is made from the supposed defense of Marx, it's because they're thinking in terms of a logical representation, not the reproduction of the concrete through thought. We were unfolding what was before us, and the problem of the market's form didn't arise. Marx will develop the determinants of competition in Volume 3. When he has revealed what governs competition, what competition revolves around, what governs the unity between social production and consumption… even then, he won't have fully developed the mechanisms of competition, of the movement of capital. The problem is that one cannot explain what happens in the life of society by the forms the market takes; rather, one must explain how social production and consumption are organized in order to understand the market's form.

[II]

Last time we reached the point where Marx elaborates in the chapter on the working day, where classes, the state, and its direct regulation of working hours appear. I proposed going beyond the unfolding of these concrete forms and asking ourselves what the content of what is emerging is. In this development, I will return to the framework we were looking at […].



We were looking at the process of social life. There were two mutually free individuals, without any direct personal ties, and how they relate socially to each other through the production and exchange of commodities. We had José, who sells his labor power and relates to María, who buys it for a sum of money, and this defines them as personifications: worker and capitalist. As personifications, they enter into a direct, conscious, and voluntary relationship, which is the contract of sale, in this case, the employment contract. The relationship between buyer and seller of labor power is antagonistic: what each wants to personify their commodity is the opposite of what the other has to do to personify theirs. But there was another antagonistic relationship between the workers, as they are all sellers of the same commodity, and between the capitalists, as buyers of the same commodity (labor power) and as sellers of all commodities except labor power. The unity of movement in this social relationship lay in the scheme of the money cycle as capital.

$$D - M \begin{cases} FT \\ MP \end{cases} \cdots P \cdots M' - D'$$

El capital es la relación social objetivada que tiene la potestad de poner en marcha el trabajo social de manera privada e independiente con la finalidad inmediata, no de producir valores de uso para el consumo humano, sino de producir más de la misma relación social objetivada

…and, therefore [140], to produce more capacity to set in motion social labor without unity with social consumption and as a movement that cannot be controlled, all that can be done is to personify it. If the capitalist stops the movement, he has lost his social relationship and will die. Consequently, we had capital as the concrete subject of this process of social life. It is a process of human life—the subjects are human beings—which nevertheless takes a concrete form, is governed, by capital operating *as if it were* the concrete subject, setting the movement in motion in order to satisfy its own need, and we, as people, act as its personifications.

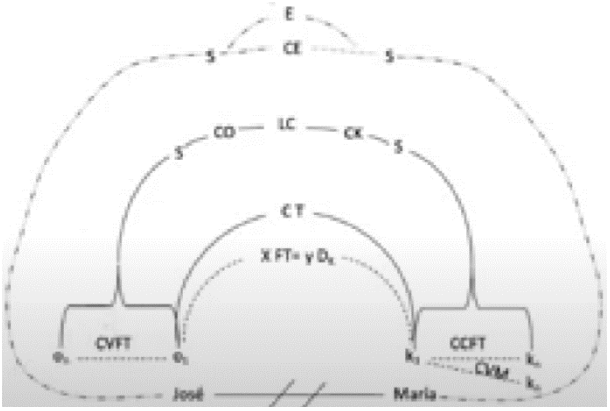
We had argued that the movement of capital is contingent upon the constant availability of labor power for valorization, and that, as a self-regulating system, the only way to ensure a continuous supply of labor power for capital is through a surplus of labor power, produced in excess of the immediate social need for it. This need of total capital within society clashes with its own need for labor power to reproduce itself under normal conditions. It is a normal condition that labor power can be sold for its value, even if it is in excess. What concrete form does the development of this need of capital take?

Individual capitalists cannot embody this, because if one capitalist pays their workers the value of their labor power while others pay them below that value because there is a surplus, they will be defeated in the competition. Consequently, the satisfaction of this contradictory need of society's total capital must be carried out primarily by those who see the sale of labor power at its value as a condition of their own reproduction: the workers, who give this competition that leads them to sell their labor power below value the form of a relationship of solidarity, as if they were a single block of labor power. We examined the scope of these relationships of solidarity (unions by company, by industry, etc.) and had narrowed it down to national levels, because this is the concrete form that is particularly marked in our society, and since competition is a universal antagonistic relationship, this relationship of solidarity extends beyond national borders as a global solidarity. We emphasized: it is not that competition has disappeared, but rather that it takes the form of solidarity.

We saw the same thing from the capitalists' point of view, who also establish this relationship of solidarity. And we see that one is at one pole or the other of the relationship not by personal attributes, as in previous societies, but rather one is classified in this condition of personification: one ceases to be the personification of labor power, becomes the personification of capital, falls into the other class, and vice versa. Insofar as this relationship tends to be universal, at the pole of the sellers of labor power it tends to constitute a universal worker (working class), and the same at the pole of the capitalists. And the antagonistic relationship between buyer and seller of labor power no longer simply has the character of an individual antagonistic relationship, but rather between the two poles of solidarity (working class and capitalist class), and its form is the class struggle.

[140]Continuing what was written in the image above.

We said that the class struggle has countless forms. We said that if this satisfies the need of society's total capital for labor power to be surplus and simultaneously sold for its value, the very form of this social relation (the class struggle), which is an alienated relation within capital, needs to take a concrete form where this antagonism is replaced by a relation of solidarity that presents itself as an expression of society's common interest. And that at the same time, this relation, as it carries and expresses the unity of the process of social metabolism that we are outlining, the unity of this movement *is* the movement of society's total capital, and up to this point, society's total capital has not appeared with its own personification. Individual capitalists personify their individual capitals, and the capitalist class in its relation of solidarity. But their immediate needs are not the same as those of society's total capital. Then we have the relationship of citizenship, which is entered into under the appearance of being a relationship of solidarity between free people, but whose content is a relationship between personifications: to be a citizen one must be a free individual, and to be free one must be able to buy and sell commodity, and therefore be a personification.



The relationship of citizenship is not simply the relationship we have been examining so far: it is the relationship of citizenship *of the state,* which is a social relationship with an objectified existence, representing the total capital of society and its needs. When we consider this, what we have before us is the unity of the general social relationship, its concrete form. It is a relationship between persons that takes the form not of a relationship between persons, but of an indirect relationship between things, which binds persons together and determines the consciousness and will of these persons as personifications of that objectified social relationship, and who enter into this direct, conscious, and voluntary relationship that is the contract.

In the CVFT scheme, [141]another line is needed: competition personified by workers and capitalists. Aside from the antagonistic relationship between these personifications, it appeared that the need of total capital in society for a surplus of labor power, which is simultaneously sold for its value, took the concrete form of solidarity among workers as a form of their competition for the individual sale of their labor power. The same occurred among capitalists, and so on. [...]. This, in

[141]Buying and selling of labor power.

turn, as the general antagonistic character of these two poles demonstrates, needs to take a concrete form in which that antagonistic character appears erased, as a general interest. This is not an abstract appearance, but rather the reproduction of the process of social metabolism in this form: this relationship of solidarity is the relationship of citizenship, a relationship between personifications under the guise of being a relationship between persons. Up to this point, citizenship was basically *national citizenship,* based on ancestral blood or the land, as if the land had the capacity to produce individuals with a certain nature. And that, when an individual whose blood and soil are not recognized acquires citizenship within a certain sphere, it is called "naturalization." And we had the state as the bearer of the general necessity of the capitalist mode of production.

This is what we discussed last time. We saw the national fragmentation of the global unity of capital accumulation as an expression of the private nature of labor. I think we looked at the example of the Second International and the First World War […], and how, despite class solidarity, given this fragmentation of global unity and the competitive relationship that arises from the private nature of labor (which carries all the antagonistic relationships we are seeing), the private fragment of social labor prevails over class solidarity, and a relationship of solidarity is established between the capitalist class and the working class of a country.

[JIC proposes to clarify doubts and focus on the issue of the reference to a superstructure in Chapter II, and the nature of its relationship with the base].

Javiera: [1] I have a question about when the state becomes the bearer of the general interest of society, that step where individual capital can no longer occupy that role because it seeks its own interests and would endanger the survival of the working class. [2] And another question that just came to mind is about how the class struggle is always present but takes countless forms, because when one was taught these things in a "formalistic" way, the class struggle was seen as a very specific moment that society reached at a certain point, not as something that was always present.

JIC: [1] I unfolded the development from the simplest point of that social relationship between people, which takes the form of no relationship between people, and I unfolded it. When one looks at the concrete development of the state, one cannot say that there is the individual capitalist and then the capitalist class arises, and then the state. One unfolds it and sees that the capitalist state is a form of that general social relationship: there is no capitalist production without the state.

When one looks at the historical development of the state in these general terms, one finds that there is a moment… We were saying this: individual capitalists cannot, on their own, embody the need for the buying and selling of labor at its value, nor the other determination regarding shortening the working day, because those who pay below value will outcompete them. What immediately becomes apparent is the necessity that unity cannot be expressed by isolated individuals.

But this capitalist state is composed solely of members of the capitalist class, even in the greatest “purity” of the bourgeoisie’s triumph over feudal relations. It is a state where the only actors are capitalists, but there they begin to act in the name of the capitalist class, but in the name of the total capital of society. Then, they clash with the workers over the length of the working day.

As a class, they cannot say: let's all agree, the entire capitalist class, and put a limit on the working day. Since they are all free subjects because they are alienated within capital, the limitation of the working day must be presented to the capitalist class itself as something external and contrary to its interests as a capitalist class, imposed by a state composed solely of members of the capitalist class. But in order for them, as individual capitalists, to act in accordance with the needs of the unity of the social metabolism process, they need this power to impose the limitation of the working day on them externally.

A very telling example arises with the issue of child labor. Marx cites a report in which an English factory inspector quotes a worker who says: "We have to be forced not to send our children to work, because if we aren't required to send them to school, we have no choice but to send them to work." Thus, the first law regulating child labor appears in a state where only representatives of the capitalist class are present. It then becomes apparent to all members of society that there are conditions that can only be met if they are imposed by a direct social relationship that seems to spring from the consciousness and will of free individuals, but which has the power to impose itself upon the consciousness and will of free individuals. Otherwise, it cannot take shape.

The state appears as the “administrative committee of the capitalist class” (I don’t know if in the *Manifesto* or in another text), but it has to be the administrative committee that is above the capitalist class in the sense of expressing the needs of the unity of capital accumulation. One doesn’t have to look far to see it: what do individual capitalists express every day when they say that dismissal bans must be eliminated? That is the dream of the individual capitalist, and of the capitalist class. Capital needs class struggle, the antagonism of the workers against the capitalist class… […] [142]The capitalist class could not, on its own, express this need of the total capital of society to have surplus labor power and be paid for its value, or for the working day to have a certain duration: it needs class struggle for this need to take shape. And it will take shape in the form of the action of the state as the representative of the total capital of society, of the unity of the process of social metabolism.

Last time I mentioned that there are two seemingly contradictory arguments that share the same conception of the state's externality to the movement of capital. One argues that if the state didn't exist, capitalism would have fully developed, while the other argues the opposite: that if the state didn't exist, capitalism would have already disappeared. Both share the image of an external relationship between state and capital, and the capitalist state is a form of capital, the form that carries the unity of its movement. Up to this point, the normal conditions have

[142]The recording is cut off for a few minutes.

been the reproduction of labor power. Later, we will see that normal conditions can be far from this, and then the state can take on concrete forms completely opposed to what we have seen so far.

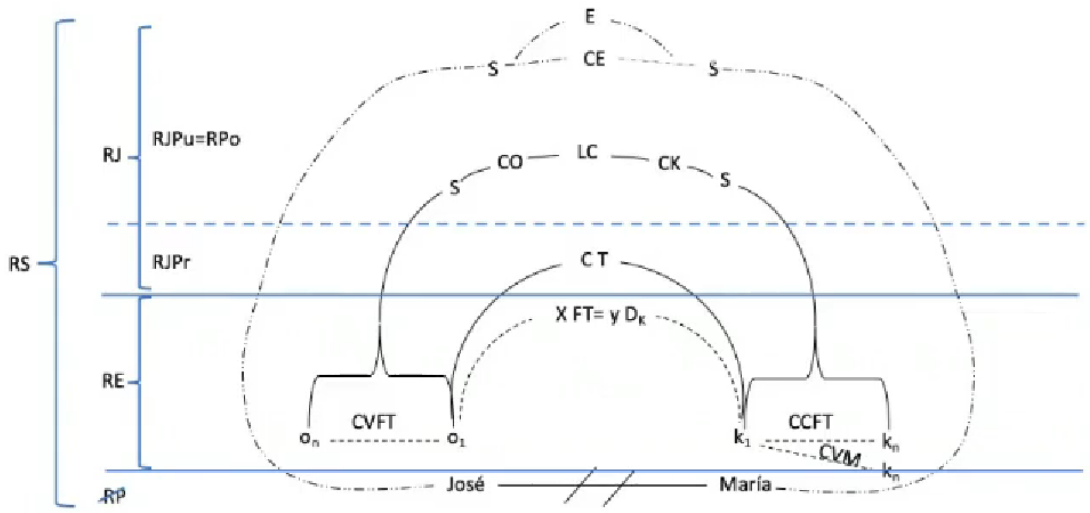
Another point I mentioned is that when you look at the state, you see that it reproduces the simplest form of the general social relation in the capitalist mode of production, which is the commodity. It appears to spring from the consciousness and will of individuals who are free by nature, and it has an objectified existence that confronts these free individuals with the power to dominate them. When you look at discussions about ideological appearances—about the state being external, about it being a welfare state, about it not existing, or whatever—what you're seeing is the reproduction of fetishistic consciousness. You're seeing a social relation that seems to spring from the free will of individuals with the power to dominate them.

[2] Regarding the different expressions [of class struggle]... When a collective bargaining agreement is signed, it is an expression of class struggle. When there is a strike, even a partial one, as well as a general strike or a lockout by capitalists, the classes are confronting each other, transcending the immediate moment because it affects all sellers/buyers of labor power. There is no capitalist mode of production without class struggle, just as there is none without the state. They are as inherent to it as money. Depending on what is being transformed in the materiality of the labor process (we will look at this when we get to relative surplus value), among other things (but this is the essence), what type of worker capital needs, whether it has a surplus of workers or not, whether it has to bring them in from elsewhere, whether it needs them to have certain attributes or no longer needs them, what one will see is that the state, as the representative of the unity of its movement, is constantly changing its face. If the state needs workers with a broad educational background, it will be the driving force behind educational development. When that accumulation process no longer requires them, it will dismantle that educational process. This is what will govern the content of state action; it is the movement of total capital in society, and the first point of departure is what happens to the materiality of labor.

[Organic relationship between base and superstructure]

If we return to the scheme of the concrete form of the general social relation in the capitalist mode of production, we find a unity with an organic character. There is no exchange of commodities that does not take the form of a sales contract. There is no contract for the sale of labor power that does not take the form of class struggle, and in turn, the individual contract is determined by class struggle. There is no action by the state that does not operate on the material needs of the labor process. We have been unfolding this organic unity starting from its simplest form. Now I propose that we undertake a reverse process, an analysis of what we have been unfolding.

What happens when you analyze is that you destroy the organic unity of the subject you started with, the one in front of you. I always say that I'm reminded of a high school experience where we dissected a frog. The first thing you have to do is kill it, remove its organic structure, then you open it up and discover the frog's parts. We're going to do the same thing, keeping in mind that we don't have to kill the organic structure, but rather that what we're going to analyze, in order to understand its workings, we have to look at it in its unity.



We had the social relation in its unity [diagram above]. This is a social relation between persons (content) that takes the form not of a relation between persons, but of a relation between things: commodities, money, labor power (which is a commodity)... When one looks at this indirect relation between things, it is commonly called "economic relations": buying and selling, competition... But commodities do not exchange themselves: they must be carried by their possessors, who relate directly in their capacity as persons, determined by this indirect relation, and it is they who enter into these direct relations: the employment contract, the class struggle, the relation of citizenship, and the state. And this set of direct relations is what is commonly known as "legal relations." And this is what Marx means when he first looks at the process of commodity exchange.

When we examine these legal relationships, they essentially differ in their scope. Some involve individuals directly, between one individual and another. There are legal relationships with a broader scope, typically encompassing a private unit, such as the movement of commodities. And there are legal relationships with a scope ranging from universal to general in nature. As Fernando once explained, when we look at the employment contract, it appears in a situation where it is a private legal relationship and at the same time transcends it because it involves the reproduction of the general unity of the capital accumulation process. Therefore, according to this scope, a distinction is made between private legal relationships (RJPr) and public legal relationships (RJPu) or political relationships (RPo).

When we look at the state here, we can take a further step in specifying its condition, because it is not simply the representative of the total capital of society. Its sphere of action is that of political relations; it is the *political representative* of

the total capital of society. If the state has an enterprise that produces some use value, in that case it acts as a subject of political and social relations. When it acts as the representative of the total capital of society, it acts as a political subject. The class struggle is the sphere of political relations. If we look again at the organic unity of this social relation, we can say that it is a direct relation between persons that takes the form of an indirect relation between things, which determines the consciousness and will of those persons as personifications, who, as such personifications, give form to that indirect relation by entering into legal and political relations. And we have that this [below the horizontal line of the diagram] is the economic base, and this [above the line] is the legal and political superstructure.

The original German term appears in the preface to the *Contribution,* and it refers to things that protrude, that are ornaments on a wall; it's not simply something built on top, but something that projects beyond the base. And what we have here is a relationship in which the legal and political superstructure *is the form in which* the movement of the base is realized. There is no indirect movement of commodity exchange that does not take the form of a legal relationship, and there is no legal relationship that does not contain something that will modify commodity exchange, that will be the bearer of commodity exchange even if it appears completely unrelated to its immediate movement (for example, education, which brings into play what attributes the commodity labor power must have to be useful to capital).

So, from the perspective I'm presenting, the concrete forms of capital development—that is, the base-superstructure relationship—also present a contrasting issue (I referred to class struggle as specific or general)... Because in the capitalist mode of production, the base-superstructure relationship is clearly separated, as they are two distinct forms of relationship. The question is whether, in a society of personal dependency relationships, whatever their nature, such a marked distinction can be made, because what exists are direct links between people with more or less general reach, but they never take the form of an indirect link through things.

[Alejandro raises the issue of capital as a subject and religion, referring to the fact that in religion the human being appears dominated by the product of his imagination and in capital by the product of his own labor.]

I would take this: these are two forms of alienated social relations, where human beings confront the product of their own powers as if they were alien and dominated by them. This is a consequence of humanity's insufficient historical development. One of the things Marx will argue is that this is human prehistory [143]. Now, there is another aspect where this determination appears.

We already speak of the human being as a historical subject, saying that each human generation encounters a world produced by the labor, by the conscious and voluntary action of the previous generation, and that is why the human being is the subject of their own history. And when this process is examined from a religious

[143]Reference to the prologue of the *Contribution.*

perspective, in terms of religious alienation (in the *Manuscripts* of 1844, he addresses this), the human being is alienated in their generic condition: they see themselves as a finite being, so to speak, who has nothing more than their individual life, and generic life is in the afterlife. Thus, they are reduced to the condition of the animal, because the animal does not know itself to be a generic being. The generic condition is therefore placed outside the human being.

When one looks at capital, the generic condition is inherent in it; it is the one that, as the concrete subject, carries the development of the productive forces. Therefore, what one has is a different form of alienation, but one that shares this same characteristic: the inability to recognize oneself as a generic being. Among the expressions of this is the phrase, "I do what I do for my children," neither for myself (because I don't recognize myself as a generic being and therefore don't deserve it) nor for humanity in general. I can only recognize that I have reproduced my animal condition in these individuals, not in the rest, because I don't see myself as sharing a generic condition with them.

These are two forms of alienation corresponding to different modes of production. Monotheistic religions originate where there was commodity production (there are also polytheistic religions, as in Greece, of course). Now, Jewish society was characterized by a strong development of market ties. It takes all the elements of previous religious forms and translates them into a single subject. In any case, it arises in a mode of production that is not capitalist. That religion changes; from playing a central role in the genesis of the capitalist mode of production, it becomes a form of the capitalist mode of production.

You were asking me if capital has a real existence or is a product of the human mind. It's a social relation that has an objectified existence. Divinity has also come to have an objectified existence: it originates from a religion that doesn't allow for the objectified existence of divinity, and it gradually transforms and takes the form of an objectifiable divinity (it depends on the different forms of Christianity and others, but that would require a more detailed discussion). What does it mean, then, if it's real...? It's an objectified existence, it operates as that objectified existence, it's a relation between persons: the subjects of human life are persons, but it exists materially and has the form of a relation between things that has acquired autonomy in its movement, in the sense that we persons respond to the needs of that relation between things. Our consciousness is free from bonds of personal dependence because it carries the need for this indirect social bond; it is alienated in capital. It's not “God,” as some say and attribute to me: it's capital as a concrete thing. To believe that he is confused with God is to invert the determinations of consciousness, to abstract the content of the specific social relationship, which is the intention with which the argument that he is like God is made, to empty it of content in order to be able to say anything about the content and about the form.

What happens when one dissects the unity of that social relationship and only looks at its economic form, or only at its legal and political form? What do one see? What character is given to this relationship when it is not viewed as one between content and form, but rather presented as an external relationship because it is

subject to logical representations (according to which all relationships must be external)? How can one explain the nature of the relationship between the economic base and the political superstructure? I hope you will come next time with many questions to discuss on this topic, and then we will move on to the first chapter on relative surplus value, and if we get through that, we will move on to the chapter on cooperation.

[III]

Randy: I had a question. I wanted to refer to Marx's prologue [144]where the distinction between infrastructure and superstructure appears, and there he says two things: that this theoretical guide is something he arrived at, and that, on the other hand, once he found the theoretical guide, it served as a guiding thread for his studies. I find this curious. I understand that this guide, as something he arrived at, allows us to think that these categories (also because Marx is part of a "Hegelian" tradition) are not simple *a priori* assumptions, that they are not applied to a given external object, which is all that Fichte, Schelling, and Hegel will argue against Kant because he cannot explain why the object is given to me and corresponds to the categories with which I analyze it.

I wonder if analyzing the infrastructure-superstructure relationship wouldn't imply another leap in thinking regarding the unfolding we're undertaking. Because I understand this unfolding as the unfolding of consciousness as it comes to know itself, a process every individual must repeat because no one is born enlightened, so to speak, and the starting point is this kind of "state of nature," if you will, where relationships appear externally. It's as if the base and the superstructure were two forms of exteriority, and we haven't yet begun to question their relationship, or to formulate it in terms of pure thought.

JIC: I was surprised by the "state of nature" thing.

Randy: I mean, to use a concept from other traditions. I'm referring to the state in which… Every subject must repeat the process of knowing because in their given "natural" state, these relationships always present themselves as something external, and the process of consciousness was conceived as… Knowing these determinations that are presented to us in this way at first.

JIC: I don't know if I would put it that way. Knowledge is the process by which the individual governs their actions and produces themselves. But that's not the point I wanted to make. Part of what I wanted to explore today is the nature of that relationship, but you introduce another aspect related to it. Why did Marx want to put it in the preface and in those terms? Only Marx could know. What consequences has that placement had? That's what I think one has to ask. It's presented there as an external relationship, almost like a recipe. In the preface itself, Marx says something like: "I had a long preface, but in the end I decided not to include it because anticipating what must be demonstrated can only be annoying..." And then he goes on to do just that.

I would take what you're saying about how Marx presents it, in contrast to what we've been doing, and also consider the nature of the relationship between base and superstructure. Marx uses the term "conditions" (I always say "determines"). I argued last time that the terms "base" and "superstructure," especially the latter, aren't literal translations of the German term; it's something that emerges, not simply one thing being below and the other above. I would take this and then

[144]The one about the *Contribution.*

examine the different forms of relationship that appear between the economic base and the legal superstructure.

In the development of *Capital,* Marx first introduces these terms after he has outlined the determinations of the commodity, the consciousness of commodity producers, and when he addresses circulation, he states that this economic relationship takes the form of the legal relationship of the contract. They reappear after he has outlined the determinations of capital, the concrete form of the general social relationship, where he does not propose a relationship, but rather introduces social classes and the state, the direct regulation of the process of social metabolism as a form of that indirect regulation through the valorization of capital. [... [145]]

We were saying that this is a social relationship, always between persons (content), but it has the peculiarity of taking the form of no relationship between persons, of an indirect relationship between things, between commodities that can enter into an exchange relationship. This fact is what determines the consciousness and will of commodity owners as personifications of their commodities. This indirect relationship through things is realized in the concrete form of direct, conscious, and voluntary relationships between personifications. When one analytically, destroying the organic unity of the relationship, says: there are no personal relationships, [only] between things (economic: competition and exchange), what form do these indirect relationships between persons and direct relationships between things take? The form of legal and political relationships. So here we have a development of a content that takes a form, which in turn contains a potential that realizes it by taking a form, which in turn has a potential to realize. And consequently, when one speaks of determination, what one is saying is the form in which this content is necessarily realized.

This content does not exist abstractly, expressing itself identically; it only exists and is realized in this form. I see a legal form, and what I see is a movement of the indirect relationship between commodities. I see an exchange of commodities, and what I am seeing is the content of a legal relationship. This is the character of the relationship we are facing so far: that something determines something else means that the first something is fulfilling its need by taking the concrete form of the other something, and that is the relationship between base and superstructure. Within the superstructure, one will see movements that, again, involve a determination of a general nature that takes on specific, concrete forms. Therefore, the determination is never an external relationship. And here, three things arise.

1) Marx, in the prologue to the *Contribution,* uses the word "conditions," which is an external relation, it is said *together* with the other, it is not that one is the form or the content of the other: the two appeared together, that this which is by itself, is subject to some relation with this other which is also by itself.

2) In what other ways is the relationship between base and superstructure viewed (e.g., within Marxism)? I'm approaching this with some concrete

[145]Minor interruption due to technical problems.

expressions because Engels took the first step in this. Engels, accused of being an economist and a mechanist within the party itself, tried to clarify something that, from my point of view, obscures. He says: we didn't actually say that the economic sphere governed everything; it's something that determines the superstructure, but the superstructure has a certain independence (the term "relative autonomy" appears later), but the base is the determining factor "in the final analysis." So, the superstructure acts upon the base with this "certain independence" it possesses and "affects" the base. This is an external relationship that can never explain how this operates. Because if something determines something else, but the other has relative autonomy… which is a contradiction in terms: if it's autonomous, it can be named by itself, and if it's relative, it can only be named in relation to the other. So there's something that goes in one direction and determines something else, but then it goes back in that direction and determines it, but then it goes back in the first direction and determines…

And the synthesis, which is cruder, but at the same time seemed clearer to me regarding the impossibility of giving content to that relationship (of saying: “well, the nature of this relationship is this: what does it mean that it returns, that it affects him?”) is a text I lost, until someone brought me the exact bibliographic citation—and it was cruder than I had imagined—and then I lost the citation again… It's circulating somewhere in one of those things that I consider very unfortunate for the political action of the working class in particular, which are memes (but since political discussion now takes the form of memes…), which says that I attribute this story to Althusser, and it's not him saying it, but an Althusserian. I always used the example of a dog, but it's a human being who is chained to a post; along the length of the chain he has autonomy, but beyond the chain he is ultimately determined in his autonomy by the chain.

When someone has to use that figure to explain that relationship, it's because it's absolutely inexplicable. And if you don't explain the nature of that relationship, you can't know if you're unfolding the relationship along its axis or if you've deviated from it in trying to explain it. Because Gramsci makes a reference to this kind of approach and then talks about not falling into "economism" or (I don't know if it's) "politicism." If you don't know the nature of the relationship, you can't know if you're leaning to one side or the other; you end up reduced to a quantitative problem. And to know whether you've deviated or not, you need a standard.

In Volume 3, Marx makes a point that one cannot explain the norm by deviations, but rather deviations by the norm. This is because the norm itself contains this element: the constant deviation. Since the value of commodities has a norm—the quantity of socially necessary abstract labor materialized privately and independently in them—one can then see when it has deviated from the norm. And the way the norm is realized is through constant deviation precisely because social labor is performed privately and independently. There are approaches in economics (I don't think we discussed this at the time) where the explanation of price is based on imbalances in supply and demand. Marx addresses this at one point, stating that when supply and demand are equal, their effect disappears; they

can no longer explain anything. The explanation must come from understanding what the norm actually is.

There are arguments within Marxism along these lines. If commodities are always sold at their value regardless of how unbalanced supply and demand are, there's no way to know what the norm is, and the movement cannot be governed by a norm. Let me say this upfront: if supply and demand determined the value of commodities, then today, when it's public knowledge that labor power in Argentina is being brutally sold below its value, what we would have to say is that it's being sold at its value, and therefore the working class has nothing to complain about, because what's fair in the capitalist mode of production is the sale of commodities at their value. What one also has to ask is what underlying political need takes shape in this assertion that supply and demand enter into the determination of value, an assertion made by individuals who present themselves as critics of the capitalist mode of production. If Milei said it, I would understand his reasons, but when people who present themselves as critics say it, one has to wonder what necessity in the general social relationship they are embodying.

Another type of explanation in Marxism is the functional explanation. Stalin begins with a purely mechanical explanation and then moves to a functional one. But functionalism in Marxism has a very marked expression in analytical Marxism, and particularly in Cohen, who argues that the base is functional to the development of the productive forces, and that the superstructure must be functional to the base. This implies a coexistence of bases and superstructures as two independent things, one existing to serve the other. He illustrates this with the analogy that loose columns are unstable and that to give them stability, a roof (the superstructure) is needed, functional to the base's need for stability. There is a marked externality in the relationship, to the point that analytical Marxism presents images of the capitalist mode of production as having a society of feudal communities, which, through an accidental mutation, gives rise to a mercantile society. Since this mercantile community is more functional to the development of productive forces than the feudal one, it gradually displaces them in competition until it becomes the universal form. These explanations align with modern Darwinian interpretations of the mutation of living beings.

The mechanical explanation that the base determines the superstructure, but that the superstructure has relative autonomy, ultimately leads to the conclusion that everything determines everything else; it's an indefinite back-and-forth (its nature cannot be defined), or, in other words, nothing determines anything. And this is the premise that gives rise to postmodern arguments that there is no direction, no determination, no meaning; nothing can be known, and it all makes no difference. And again, one has to ask what political necessity takes shape in these expressions. This is the second point I wanted to raise.

3) What happens if one cuts off the unfolding of the organic nature of this general social relationship? What happens if, when one reaches the economic base, one cuts off the unfolding? What emerges is that commodities are objects that are exchangeable by nature; this is the fetishistic consciousness. Classical political economy states that all human labor produces exchangeable things, that it is

inherent in the nature of human labor. Neoclassical economics, Austrian economics, takes the next step because it is immediate; there is no longer the mediation of labor: anything that is useful and scarce is exchangeable; it is a natural attribute of things. In the texts of Smith and Ricardo, this naturalization appears; they literally say that it is "natural" for things to be exchanged in this proportion. In one of the founders of neoclassical economics, Walras, it appears that value is natural by its content (and for several other reasons that I don't recall).

What happens when one naturalizes social relations? Since these social relations appear up to this point as a relationship between free individuals, human freedom appears not as a historical social relationship (personal freedom), but as a state of nature. What follows from this? If this is natural, then any action that seems to transcend the immediate movement of the economic base, the appearance that the movement of commodities, of capital, acts without taking any other form than this same movement (that is, the market), appears unnatural.

In classical economics, which was still recognized as political economy, this concept didn't appear with the same degree of naturalization: it was natural among free individuals, but it wasn't considered unnatural not to pursue self-interest while claiming to be acting in the general interest. In neoclassical economics, this appears openly, and we hear it in everyday discourse today: "the political class corrupts nature," implying that all political relationships are unnatural. This takes shape in neoclassical economics as Pareto's "optimal welfare of society," which states that no one can improve their overall well-being without negatively impacting that of another individual. Consequently, in a society with only two individuals, one possessing 1% of the society's output and the other 99%, it would be unnatural to alter the distribution to 2%/98%: it would diminish the overall welfare of society because it would improve the well-being of one individual but worsen that of the other.

The disruption of the unity of social relations has these manifestations, this concrete expression. But what happens if one reverses this process and considers that social relations between people originate beyond the relations between things? It is the same naturalization. By disregarding the determination of the consciousness of commodity owners as their personifications, they appear in political relations as abstractly free individuals by nature with opposing interests. Then, each one depends on the free will and free interests of the individuals.

In the first meeting last year, when we discussed the translations of *Capital,* I referred to a term that appears in the Siglo XXI translation and in the new FCE translation that Roces did before he died, and if I remember correctly, it was in some others as well (not in Roces's old translation, nor in Justo's, nor in [Sacristán's?], but in Akal's as well), and it's there: the “socio-economic formation” instead of the “economic formation of society.” So, it's being said that the economic is separate from the social, because otherwise, we'd be saying “socio-social,” and that expression wouldn't make any sense. Why the need to change the meaning of development as presented there (which is difficult to translate due to the German structure, but that's how it's translated in English as well), to change the terms so that the economic base appears separate from the social relation? Then the

arguments arise that the modes of production corresponding to the economic base are those within each unit of production, but the general unit would be given by the social formation, excluding the economic base from the social relation.

What do you think about these issues? [...] At the Center, [146]we're having a discussion about the role of virtual platforms in the possibilities for discussion and debate on the topics being raised. And since I've become comfortable with virtual platforms, I'm defeated by the argument that discussions happen in person, which I question because that's not always the case, but that in virtual environments there's a barrier and discussions don't take place. Don't agree with my colleagues; we don't share this viewpoint.

Aristides: [1] In Chapter VIII, he analyzes legal forms, the regulation of the workday: that in the first stage, capital struggles to extend the workday, and at another point, there is the struggle of the working class to limit it, and there lies the question of how this is reflected in parliamentary debates in England, etc. But let's say, I know that the forms... For example, if one speaks of revolutionary, political processes that we experienced (more or less) in Argentina or Latin America... I don't know how to frame it so that it doesn't end up being something external to what we are seeing in the chapter, but there are debates where the working class politically raises issues that go beyond the extension of the workday, even beyond legal issues. I ask because I don't know if it's a matter of something that hasn't yet appeared but will appear. But since we are talking about class struggle, I cannot help but see this contrast between these legal forms, which are an expression of this class struggle, but I am left with the feeling that there is something else that falls within the class struggle that would not be contemplated here.

[2] And another issue is the method used in this chapter, because it recounts the history of the dispute over the length of the working day. At some point in Chapter II, I revisited the question of the origin of gold, because it needed answering, and the historical method was employed to answer a very specific question. From there, we returned to the development of the determining factors, but in this case, it remained somewhat like this... The question is whether, when the working class confronts this issue, it must answer it by examining the history of the formation of the working day. Because at the end of the chapter, Marx says that what appeared to be an exchange between equals ends up being... Well, it becomes clear that the worker does not have that freedom. It's this idea that in certain developments, one form appears, and later a contradictory appearance, but this is related to how things are unfolding and to the form of the method.

JIC: [1] In what appears in the chapter on the working day and in what we look at regarding development from the point of view of capital's contradictory need for a surplus of labor power while simultaneously selling it for its value... We made this distinction between private and public (political) legal relations. When one speaks of classes, it is a political relationship, like the state (the political representative of the total capital of society). In what we have seen so far, political

[146]The CICP.

relations are present, but only up to the point we have reached. Up to this point, the class struggle is a necessary form of capital, so that labor power is reproduced under conditions that serve capital, whether through the limitation of the working day or through unemployment benefits, let's say; these are expressions of this. The class struggle will always be a form of the movement of capital. What one can say in a way is that one would like to see something else for the class struggle, something that goes beyond this, and yet this will always be there, but let's see what happens to this.

[2] The second issue had several aspects. We arrived at these same forms and were able to develop them further without looking at the concrete forms. We said, "this is a process of historical development," but we didn't stop to look at the history of the trade union movement, the relationship of citizenship, or the state. And we developed the organic nature of the relationship. If you compare it to the chapter that Marx writes, the organic nature of the relationship is not there. Moreover, at one point he goes on to say something like "concessions that are wrested from it," and these are not concessions; it is the way in which the unity between social production and consumption is established. Capital does not concede anything; it can only appear that way from an external perspective. The state, whether it is a "welfare state" or not, is the exploiter of the working class.

I understand that one can make more progress by following the unfolding of necessity, of determination, rather than by simply looking at concrete forms and seeing this and that appear. This is especially relevant in discussions that claim Marx didn't develop social classes and class struggle in *Capital,* due to the final section of Volume 3 where the writing breaks off. When you look at it this way, you see: everything that follows has the concrete form of class struggle; the working class is the bearer of this; the capitalist class is present throughout the entire development. It's essential that *Capital* deals with class struggle because it's the concrete form in which capital accumulation operates. Why did Marx frame it this way? We'd have to ask Marx. Some of his biographers say that since Marx had written so much about these concrete forms, he felt bad about not publishing it and that's why he did. Perhaps that's true, or perhaps it's nonsense, but we'll never have the answer.

It's clear there's a stark contrast between the previous chapters and this one [Chapter VIII] in terms of form. Why that form? When that form appeared, I found it very stimulating, prompting me to question the reasons behind it and the unity between the base and the superstructure, in contrast to the prologue of the *Contribution.* For me, it's not the best form of exposition, but I must admit it served me well; perhaps if it had been more fluid, I wouldn't have been so critical of it.

[Alejandro comments that he found Chapter VIII very stimulating because he has suffered the effects of night work, etc. JIC replies that we should always think of it that way, in current terms.]

Pedro: It's clear there's a methodological issue with the base and superstructure. The conventional logical method posits them as self-affirming and then requires a logical relationship to connect them. Different interpretations of Marxism start

from the same method and seek to relate them, and from there, concepts like relative autonomy, etc., emerge. It's clear that the method is important. But my question here is that I can't see the method arising from a need of capital; rather, it appears to me as emerging externally as a method with which to understand this.

JIC: Are you referring to the way it's presented in *Capital,* or the way we've presented it?

Pedro: Because of the way we've deployed it, I think.

JIC: The way we developed it was by looking at the content of the relationship, of capital as a subject; we looked at the concrete forms it takes in its movement in the unity of the material process of production and valorization, and we arrived at the same thing that Marx arrives at in Chapter II when he says that commodities must be brought into circulation and we have to look at the legal relations, the form that the exercise of this social relation takes in circulation.

That's what we followed: we observed how the very form of that social relationship—we had examined the antagonistic nature that arises from the content of the relationship—confronted us with a necessity inherent in that content: the constant availability of labor power. We looked at this content, regulated autonomously, and said: autonomously, this cannot be realized; it must take a form that even appears through the *affirmation or negation* of the simplest relationship, which is competition. And so we must examine the form that the fulfillment of this contradictory need of the total capital of society takes. And we arrive at classes and class struggle, and we say: this is the form that this contradictory need takes. But this form, due to its openly antagonistic nature, must in turn be the content of another form in which that antagonistic nature appears erased because it expresses the unity of the process of social metabolism, and we look at the relationship of citizenship. And we said: but here, since the total capital of society is the expression of the unity of the movement of social life, it does not appear to have an existence of its own. And then we said: what legal, political form does the total capital of society immediately take as such? The state.

That's where we began to unfold the determinations. In *Capital,* it's presented externally: we look at this, this, and this, and that's where the class struggle emerged. But the way we've been developing it, I understand, we haven't made a leap to externality.

Pedro: I understand the path being followed. My question is because when you speak in a certain way and present certain content, it seems as if there's a prior method before I encounter the content I'm developing, or is it that the content itself guides me toward the method I'm using? That's where my confusion lies.

JIC: Why am I bringing this up now? We've been practicing this method throughout everything we've been discussing, and what we've been unfolding is this: here's a content that has this form, which in turn acts as a content that fulfills its need in this form, which in turn… So it wasn't presented as external. Precisely what Aristides pointed out… The answer to why what he wants to be present can't

be present up to this point is because what we've unfolded so far doesn't show us that it has the power he wants it to have.

I could put it this way: since everything that exists is an actual existence with a potential to be realized, and since everything that is born has a potential to be realized, apart from the reproduction of its life, that potential is its death, then the overcoming of the capitalist mode of production is already explained because it is historical, it was born, and it necessarily carries within itself the necessity of its own annihilation. But that is precisely what I absolutely refuse to do.

Once it's unfolded, what we have before us is this, but we didn't arrive at this point because we expected it to have a form different from its content. What we did was look—let's take the simplest form—at a social relationship, between people. What form does it have? The form of no relationship between people. We unfolded this content, and by accompanying it in its movement, we found this. We didn't state that it has to have a potential to be realized and that we were going to go and find it. What we've been doing is describing something that's before us, saying what form it has, and we discovered that, indeed, all actual existence simultaneously has a potential to be realized. We all carry within our being the temporal determination, which immediately states that we are an actual existence that has a potential to be realized. At this point, it's quite present. But we're never saying: because *it has to* have a form to be realized, we're going to go and find it. When we look at it, we say: this has to have a form, what is it?

I'd like to start again with this: what we have achieved so far and why we're going to continue, why we can't stop here, why our subject compels us to keep going. Because if we were to stop here, we would turn it into an abstraction. If we look at what we've gotten to this point… First, I'll consider it externally: if we look at capital up to this point, we can say that it is a subject, that's what we saw in the unfolding, it does the same thing as living subjects (redundant: you can't be a subject if you're not alive): it expends its body to appropriate the environment in which it exists, it transforms itself through that appropriation, and the purpose of that movement is to produce itself with ever-increasing power in order to reproduce itself, on an expanded scale.

But if we simultaneously examine capital up to this point, we might outwardly describe it as a "fake" entity, a pathetic one, incapable of establishing its own conditions: the working day is fixed, the value of labor power, the conditions of production, and so on, are all predetermined. It appears to be a very limited entity. However, if we further examine the point we've reached, we consider all the concrete forms of capital within the capitalist mode of production. And what powers does this entity possess? Up to this point, it can only multiply its powers *extensively,* and consequently, it can only reproduce itself identically but ever more significantly, thus becoming a fake entity once again. If we consider its movement, its purpose is to produce surplus value. And the most powerful way to produce it is not simply through expansion: it is through *intensive expansion,* thereby increasing the rate of surplus value.

And so what we face from here on out is what Marx will call *relative surplus value,* because, given the conditions we have up to this point (the given working day, the given value of labor power, the fact that a worker serves capital is a given…), it's about how to increase the rate at which capital produces itself. And so, the question that arises is the production of relative surplus value. If the working day is given, to increase the rate of surplus value (and up to this point, labor power is paid at its value), the only possible way is to begin transforming one of these given things, and it will be transformed… and Marx already states this earlier when we look at variable capital and surplus value: the independent variable is the value of labor power, and surplus value is the residue left by surplus labor. Therefore, if the determinant of the intensity with which capital is valorized is expressed in the rate of surplus value, the way to operate on the rate of surplus value is to decrease the value of labor power, not to pay it below its value. How can this be decreased? By making the commodities whose use value is necessary for the reproduction of the worker have less value. How? By increasing the productivity of the labor that produces the consumption basket of *commodity use values* for the working family. With the given working day, a larger portion of the day is freed up, during which the worker will work for free for capital. Thus, this determination of the production of relative surplus value will emerge.

I forgot to mention something earlier, so let me go back. Look at what Marx immediately says about the character of the capitalist mode of production in the next chapter—because I don't know if we'll be able to see it today. What comes before, at the end of Chapter IX, from the perspective of Volume 1… We will see that Marx will refer to this situation at other times, but it will appear as a question… At one point, the discussion within Marxist political economy revolved around this question that will appear here, and which is still attributed to Marx today, and the Austrians, who make the emptiest, most grotesque criticism, claim it, and here Marx will explain why this is a question that cannot be fully developed at this point and will only develop it in Volume 3. To avoid making this into something esoteric: it is what will be known as the question of the transformation of values into prices of production, which for everyone, inside and outside of Marxism, has become the problem of transformation (I will say in advance that there is no problem).

To put this in context (Marx will make a reference to classical economics but won't elaborate, but I'll explain it), when Marx reaches this point in his development, it's clear that we understand commodities in the production process as products of capital: they are no longer simply products of labor but of labor alienated in capital. However, we never see them in circulation as products of capital; we only understand them in production as products of labor. As such, commodities are exchanged in proportion to the quantities of socially necessary abstract labor materialized in them. But if we look at this from the perspective of capital, we've already seen that there is an organic expression of capital valorization, which is the rate of surplus value (only variable capital is capable of producing it), but there is also a formal expression of capital's capacity for valorization, which is the *rate of profit.*

What Marx observes is that, at the same rate of surplus value—the degree of exploitation of labor power—commodities are exchanged in proportion to the total amount of labor they embody. This amount is linked to the proportion of variable capital that each capital possesses, and different capitals have varying proportions of variable capital within them. Therefore, those capitals with a larger proportion of variable capital within their total capital, at the same rate of surplus value, generate a larger mass of surplus value. Consequently, the rates of profit between capitals with different proportions of variable capital, even if the rate of surplus value is the same, are not equal. His observation is that this is what we know up to this point. He says: but what we know clashes with concrete practical experience, because everyone knows that regardless of the composition of capital held by different capitalists, the rate, the proportion of profit obtained, is exactly the same.

So far, this is common sense. It says that to resolve this apparent contradiction, we still need many links in the chain. Classical economics, which hasn't been able to explain why there's a general, common rate of profit, nevertheless realizes that this is linked to value, which for them is determined by the amount of labor. And faced with this, they try to resolve it by making radical abstractions. And they're going to make a reference to Ricardo's school.

In Chapter I of Ricardo's work, where he explains value (not to be confused with exchange value) by the quantity of labor, and states that it depends on aspects such as the complexity of labor, present and past labor… He suddenly realizes that, due to the composition of different forms of capital (which he doesn't call variable and constant, but rather circulating—wages—and fixed), for equal quantities of labor, the prices at which commodities are exchanged are not equal; what exists is a general rate of profit. That's why he says that Ricardo's school stumbles over this and continues to do so. Ricardo resolves it by saying that value is determined by the quantity of labor, but is modified by the composition of capital. Marx will make this observation about vulgar economics, that it is incapable of learning anything, clings to appearances against the law that governs the phenomenon, and believes, unlike Spinoza, that ignorance is a sufficient reason.

Why did Marx include this clarification here? He has clarified that he knows why, but he can't explain it here. When Marx sent the drafts of Volume 1 to Engels, with the concepts of value, its form, and this issue, Engels sent him some observations in a letter, saying: "Be prepared, because they're going to jump down your throat saying that commodities aren't exchanged in proportion to the quantities of labor." And Marx replies (I'm trying to recount this from memory) that this is inevitable, and that if he wanted to answer these objections, he would have to destroy his dialectical method, and that this isn't a defect of the method, but a virtue, because it allows the individual (he uses a German term that's difficult to translate, because it's related to "bourgeois," but not the same thing)... the "square," the vulgar economist, to have the virtue of revealing himself in an inopportune moment.

One of the things that happens in this regard is that after Volume 3 of Marx's work was published—which was written before Volume 1—the Austrian economist who criticizes the determination of production prices by value claims that Marx developed his ideas in Volume 1 and that when he got to Volume 3 he

encountered something he couldn't answer, so he just gave a vague answer. Therefore, even though the answer has already been published, vulgar economists continue to expose their own shortcomings on this issue.

Here's a methodological point: one cannot anticipate what hasn't yet been explored. And if the criticism arises that it's obvious commodities aren't exchanged in proportion to the amount of labor they embody, but rather in a proportion that yields a common rate of profit for the capital of the various branches of production, then one must continue until one encounters the conditions that allow for this exploration. That's why, for me, both the letter and what follows have been very effective as criteria for developing the workshops: not to answer in advance what hasn't yet been possible to explore.

One last thing that came to mind regarding Aristides' observation. Here it appears that the worker is not a free individual, but a worker forced by capital, and this is the real content of the second of the four appearances of circulation. But here it appears externally. Let's see what happens if there is a possibility of developing a content, which would then no longer be a matter of form, but would spring from the very movement of the social relation, from the content of the determination of what a worker selling labor power is. Up to this point, we have seen it externally: a free individual separated from his means of production. Let's see where all this development leads.

Next, we'll start with relative surplus value, and we'll look at another methodological issue that arises where Marx "violates" something he himself says he'll do in Volume 1, but which he's already done before: to move beyond production and look at circulation, not to answer the question here, but to explain how, in a mode of production where regulation is autonomous, for relative surplus value to exist, the productivity of labor in most sectors that produce the means of subsistence for workers must increase. Because if it increases in one sector and the others remain the same, the effect will be negligible. And to renew relative surplus value, this must be a continuous process. So, how, in autonomous regulation, does this content take on a completely different form? And what does this form present us with in relation to the capitalist mode of production? Marx says: we look at it, and then we forget about this form, which won't reappear until Volume 3.

§4. THE PRODUCTION OF RELATIVE SURPLUS VALUE

Chapter X. Concept of relative surplus value.

We understand capital as the concrete subject of its own valorization process, of the social life process within the capitalist mode of production. However, based on our understanding up to this point, we found that it didn't set its own conditions; rather, these were imposed externally upon its own movement. Above all, we understood that what is characteristic of the subject is to expend itself in order to reproduce itself, expanding its capacity for existence. And until now, we only recognized capital's capacity for expansion as extensive: there is a given rate of surplus value, and when each cyclical valorization process occurs, a certain amount of surplus value can be converted into new capital on the same basis, with the same capacity for surplus value production it had before. What this reveals is that, as a subject, capital will not only have an extensive capacity to multiply itself, but also an intensive capacity. Intensity from the point of view of capital is multiplication of the rate of surplus value: instead of having a rate of surplus value that always reproduces itself identically, the key to multiplying capital's capacity to valorize itself lies in increasing its rate of surplus value, and not just once, but continuously reproducing that increase.

How can capital continually increase its rate of surplus value? Up to this point, we've been observing that labor power is sold at its value, because it's clear that it can be increased by paying it below its value. How is this done by paying it at its value? If the working day were lengthened while paying the worker the same wage, it would still imply paying them below its value. Production would no longer be possible under normal conditions because more labor power would be expended with the same amount of use values as before. The answer that will emerge is: by decreasing the value of labor power. How? By decreasing the value of the commodities that the working-class family needs to purchase to acquire labor power. How is this decreased? By increasing the productivity of the labor that *directly or indirectly* produces those means of subsistence.

Whether it directly produces the means of subsistence, and consequently decreases the amount of living labor immediately embodied in them, or whether it produces them indirectly, that is, by producing means of production that enter into the production of means of subsistence and which, as part of constant capital, transfer their value to the value of the product. If the value of these means of production decreases because the productivity of the labor that produces them has increased, the value of the means of subsistence produced with them will decrease. The issue here is the necessity for capital to continually increase the productivity of labor, not in a limited or circumstantial sphere, but in the entire universe of spheres that directly or indirectly produce means of subsistence for the workers, and this in a continuous process.

What does this determination present us with? Up until now, we've looked at the capitalist mode of production and said that what we have before us is its simple reproduction, that the class struggle is the way in which labor power is sold for its value, and there's nothing to suggest that the very movement of the capitalist mode of production can affect its foundation, its reason for existing. Now we find that the capitalist mode of production inherently involves, is essential to, the continuous revolutionizing of the material conditions of production. And if we said that consciousness and will are the way in which each member of society governs their individual action as an organ of the social life process, and that labor is a conscious and voluntary action, if the materiality of labor is continually revolutionized, the consciousness and will of individuals are continually revolutionized, the very definition of what a worker is and what a capitalist is is revolutionized. And now, having been looking at a mode of production that could only multiply itself identically, we have a mode of production that is constantly revolutionizing itself. And this is an attribute that is unique to the capitalist mode of production, because the general social relation has an objectified form, it is embodied in the product of labor.

In previous modes of production, we saw that social relations were direct relationships between people, and consequently, the immediate aim of social production could not be the multiplication of production itself. And here (and even more so now that we've seen that the link organizing the production of social life is not simply the production of value, but of surplus value), what we find is that, for this very reason—that the immediate aim of setting social labor in motion is to multiply the capacity to set social labor in motion, even at the expense of the human life process considered as a merely natural process—what we have before us is a specific historical power for the development of the productive forces of social labor. And what we observe is that the properly human way of advancing in the capacity to appropriate the environment is the development of these productive forces. Therefore, from the previous chapter to this one, what constitutes this general social relation has changed radically [...].

What Marx will raise next is a question that plays a central role in the method. He will argue that we are interested in examining what happens with this continuous increase in the productivity of labor that produces the means of subsistence for the workers and thus generates the continuous increase in the rate of surplus value. We will look at it as if this were the immediate goal, but in reality, in this mode of production where there is no direct regulation of the unity of this movement (although this results from the unity of the movement), we must explain how all capitalists, who are agents of this development of labor productivity, are bearers of the need to carry out this development. Therefore, here we must separate the content of the movement from the form in which this movement is imposed.

And the form is competition, and the content of the movement is not presented to the consciousness of the immediate subject bearing the need for that content (the individual capitalist) as what it is, but rather as an immediate matter pertaining to the movement of their individual capital and having nothing to do with the overall result of which their individual action will be an individual organ,

the bearer of that overall result. And so, what will be raised is this: in order to clarify this difference, but only to clarify it, it is necessary to examine the concrete form in which the general need of individual capitalists to increase the productivity of their own workers will operate. If a capitalist who produces shoes increases this productivity, they manage to make their *shoes* cheaper, but these are a small part of the workers' consumption basket, and therefore it cannot be presented to them as an objective that if they increase labor productivity, the result will be a decrease in the cost of labor as a whole. Then the concrete form will appear in the consciousness of the capitalist: the need to increase the labor capacity of his workers, even though he has no idea that the result will be an increase in the rate of surplus value for all capitalists.

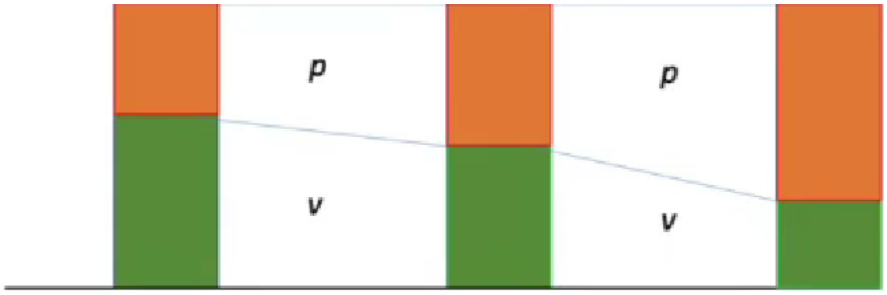
I can accompany the explanation with a graphic example that helps to visualize the process:

Forms of surplus value

a) Absolute, extraordinary and relative capital gains.
b) Simple cooperation, manufacturing division of labor, machine system.
c) Capitalist limit to the incorporation of machinery.

And I am going to separate the *substance* from the relative surplus value, the content from the *form.*

Content



If, given the length of the working day, the value of labor power decreases, the result is that workers have to perform less and less labor necessary to replace variable capital, and consequently, a greater amount of surplus labor is freed up. Here, the "independent variable," so to speak, is the value of labor power: surplus value is a residue, given the length of the working day; it is the surplus product obtained relative to the necessary labor. The surplus product itself cannot increase given the length of the working day, except through a reduction in necessary labor time. This is the content at stake. But now we will examine how this content develops.

So, we're no longer looking at the resulting movement, but at the starting point of that movement. What we have is a commodity whose value is determined by a certain amount of socially necessary abstract labor expended in producing it, expressed as a magnitude of value. This is a capitalist within a branch of social production, where other capitalists produce the same commodity. Each of them uses a production technique that is somewhat more or less productive than the others. We've already seen that the determination of value, in its simplest form, corresponds to the average condition. And to this average condition, the term "social value" will now appear, in contrast to the term "individual value."

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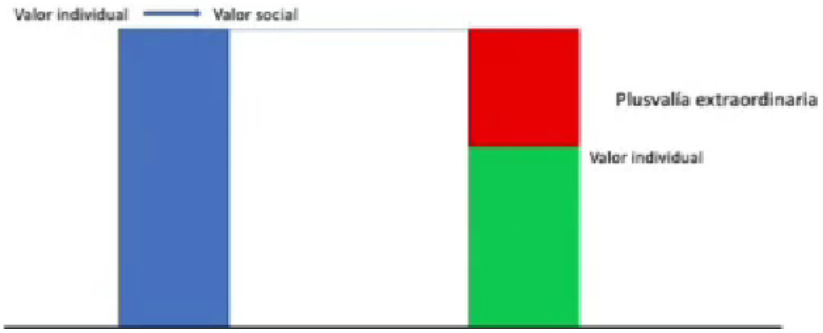


There is an individual whose individual value, if their workers' productivity is higher than normal, will fall below the social value, and another whose productivity will be lower than the weighted average for the sector, yet their individual value will rise above the social value. But for our purposes, this circumstantial difference is irrelevant. Marx doesn't present it simply like this, but we will assume that everyone has the same production technique, and that the individual value of each is immediately equal to the social value. Because the problem we have here is no longer explaining normality, which, in that normality, what we now know as social value can only be imposed as an average. Now what we want to examine is how normality shifts, how one transitions from one normality to another (if we look at it externally). If we introduce differences between individual value and social value into the initial normality, it will obscure what happens when a capitalist appears who deviates from what was the norm up to that point, to the point where we say that this will now tend to become the normal condition.

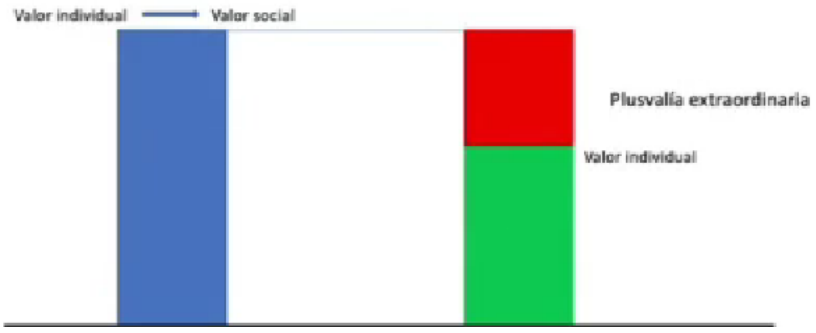
What does Marx propose will happen to a capitalist who has incorporated a superior productive technique, such that the amount of socially necessary abstract labor— not yet simply recognized as socially necessary—to produce one unit of commodity corresponds to the **green stick** [147]? Now, the old technical condition corresponds to the individual value that determines social value, and now an individual value has emerged. What leads the green capitalist to have increased the productive capacity of his workers' labor?

In circulation, in the process of competition, commodities were sold at their social value, the **finite blue line above.** So, this individual capitalist will find that if

[147]Bar from the graph above.

he brings to circulation a commodity that is qualitatively exactly the same use-value as the one that existed up to this point, but which embodies a smaller quantity of abstract labor corresponding to a lower individual value, if he can sell it at its social value—because that's what this commodity is sold at up to this point—he will obtain an extraordinary surplus value, which comes from circulation: his workers worked the same amount as before, only with greater productivity, and consequently, in each unit of product, there will be a smaller quantity of materialized abstract labor. Therefore, if this smaller quantity, corresponding to the individual value, is socially recognized in circulation as if it embodied the amount of abstract labor that up to this point was socially necessary, the individual capitalist who made the technical innovation will have an extraordinary surplus value. And this is his objective, the motivation, as it is presented to his conscience as to why he has to increase the productivity of his workers' labor.

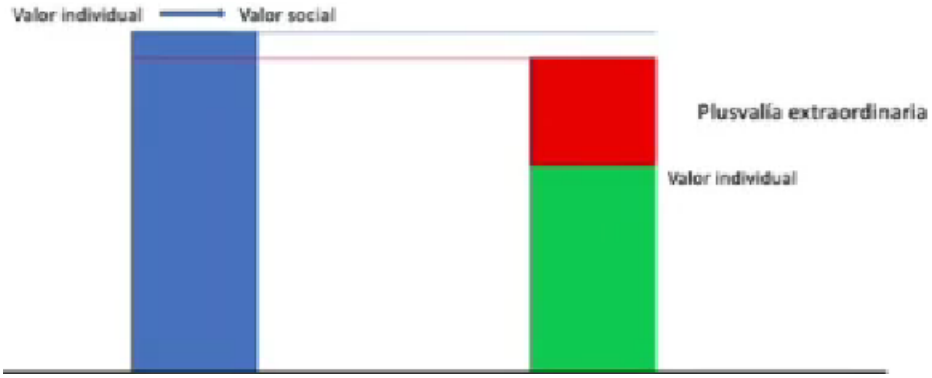
And now we see that this determination also extends to capitalists who, directly or indirectly, produce the means of subsistence not for the workers, but for themselves. The lower cost of these means of subsistence has no effect on the rate of surplus value: with the same amount of value, one can simply buy a greater quantity of use values. But from the perspective of the individual capitalist who produces these use values, if they manage to increase the productivity of their workers' labor above the normal level, they will sell at a social value higher than their individual value and will have their extraordinary surplus value. This, which seemed to be a circumstance affecting only capitalists directly or indirectly involved in the production of the means of subsistence for their workers, is now a universal necessity. Having seen this first movement, we encounter the mechanism that will lead us to the content of the production of relative surplus value. And the first step will be the following [Same scheme]:



The **right-wing capitalist** The productivity of his workers increased, but the working day remained the same. And under these conditions, he produced a greater quantity of that commodity than could be produced with the old production technique. To simplify: let's assume that under the normal conditions we started with, there are 10 capitalists producing with the same technique, and each one produces 10 units → 100 units enter circulation. Let's assume that this is one of those 10 capitalists who switched from the old technique to the new one. There are now 9 capitalists who each produce 10 units (90), and let's assume that the other capitalist doubled the productivity of his workers (the graph shows less than a doubling, but let's assume it), so they produce 20 units, which, added to the 90 from the other capitalists, makes 110 units entering circulation. Consequently, for these 110 units to be absorbed, the size of the social demand for these

commodities must increase. And for that to happen, the price of these commodities has to decrease: they will only be able to be sold below their social value.

Capitalists using the old techniques began selling each unit at a price lower than its individual value, thus failing to appropriate the full surplus value produced by their workers. Capitalists who adopted the new techniques cannot capture *all* the extraordinary surplus value they could have achieved by selling at the old social value—impossible because the mass of production increased—but they will still obtain extraordinary surplus value by selling below the social value but above the individual value.



This is the only thing that immediately presents itself to the individual capitalist: in competition, they know that if they increase the mass of commodities they put into circulation, they need to lower the price. But if they manage to sell at a price that is below the social value but above the individual value, it makes sense to incorporate this more productive technique. What will happen? This individual capitalist, having more surplus value, has a greater capacity to accumulate and will be able to increase the scale of their production. Those who lose a portion of their surplus value will try to counteract this by applying the new technique, which begins to spread. And the more widespread it becomes, the greater the mass of units of that commodity that enter circulation, and the more the solvent social need has to grow, and for this, the price has to fall even further relative to the old social value.

[Aristides asks what constitutes a socially acceptable need.] What we saw in Chapter III is this: when a commodity, under normal circumstances, has been produced in excess of the socially acceptable need for it—which corresponds to the value of this commodity—the unity between production and social consumption is established by selling this surplus commodity below its value. A portion of the value substance embodied in that commodity, in circulation, is appropriated by the buyer who purchases it below its value, and vice versa if there is a shortage. Up to this point, we have assumed normal circumstances, in which commodities were sold at their value, so the size of the socially acceptable need would correspond to that value.

What's happening now is that a larger quantity of units is entering circulation, and in order to be absorbed, it has to encounter a larger, more readily available

social need. How does this need grow? By selling below what its social value used to be. The more the mass of use values arriving due to increased labor productivity exceeds the size of the readily available social need that corresponded to the old social value, the more the readily available social need has to grow, and the more the price has to fall. That's the mechanism by which the readily available social need grows.

I'm going to add something that isn't in Marx. Marx makes an observation in the text that requires some consideration. I don't remember if it's in this chapter because I don't have it noted here, but I'm going to include it because it has given rise to a number of discussions. [… [148]]

Alejandro [Chat]: Does this determination appear in the capitalist's consciousness as a constant focus on cost reduction? Or is it not quite that simple?

JIC: For the capitalist, this appears as an increasing cost, but at the same time, they see that the productivity of their workers is increasing, and with the same amount of labor, they produce more units. The capitalist's objective is not to decrease the value of their commodities, but rather to obtain extraordinary surplus value, which they appropriate because, in competition, they can sell above the individual value and below the social value.

Alejandro [Chat]: Does talking about social value have a pedagogical character? To me, it seems tautological to speak in those terms because value is the amount of *socially* necessary abstract labor materialized in the commodity in a private and independent way. I understand that in the capitalist's consciousness there appears this confrontation between the product of their individual capital and the mass of commodities of all the capitals in society, but the value of their product is never simply individual.

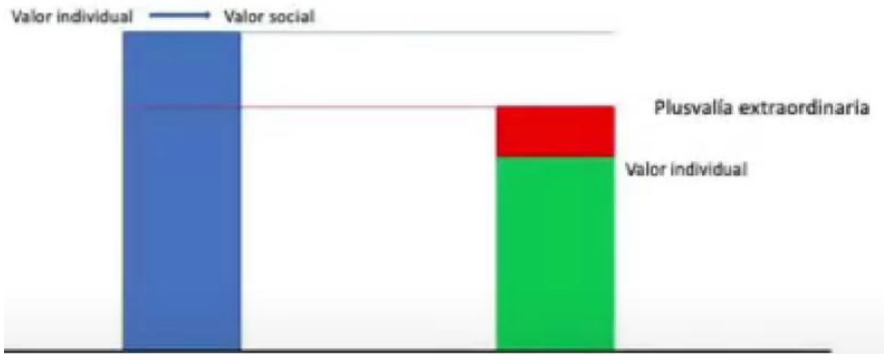
JIC: As we move forward with the concrete forms, the need for this differentiation becomes apparent. When we started, in Chapter I, we could have differentiated between individual value and social value: individual value from the point of view of the individual conditions of this commodity producer, and of what is considered normal. If normality were what corresponds to this producer, then the value of this commodity has to be so much.

Let's say the SNALdPaI time it takes producer A to produce one unit of their commodity is 10 hours, and this is expressed as a value of $10: from this producer's point of view, the individual value is $10. And next to them is another producer who spends 8 hours of labor, and from their point of view, the normal thing would be for them to be able to sell the commodity for $8: that is their individual value. As if this were the general condition. So, it's not that one knows abstractly how much time it takes. When we talk about individual value, we said that if this were the norm, then this would be the value. But it's not the norm; that's the circumstance of each individual: the norm in this example is that on average it takes 9 hours of labor, and consequently, the commodity will be sold for $10. There

[148]He says that in the end he will leave it for later.

is one producer who actually put in 10 hours of labor and will only be recognized as if they had put in 9 hours, and will only have a title to the product of social labor for a value corresponding to 9 hours of SNALdPaI. And the other person, who will simply have put in 8h, will benefit by receiving the product of what is considered to be a normal 9h.

Marx doesn't address this point until now because difference plays a significant role, not simply in relation to normality, but in how normality shifts and transforms. I will later elaborate on the arguments surrounding this. But it's not a pedagogical problem; rather, it's about the unfolding of determination in its concrete forms, where what appeared to be a simple, univocal determination (in the sense that differentiation between individual and social wasn't necessary) now requires differentiation.



I'm going back to the shared screen. And what we had is that as the new technique becomes more widespread, the price falls further and further below the **[old] social value,** approaching the individual value corresponding to that more productive technique, and consequently, the extraordinary surplus value falls. But if we look at what happens to the capitalists who didn't adopt the new technique, the valorization of their capital is increasingly affected, increasingly strangled. And if at first one could say that they were losing part of their surplus value, now they may even be losing part of their capital. And therefore, it becomes a matter of competition, a matter of life or death, for them to incorporate technical conditions that sustain greater labor productivity. Then, the new technique continues to spread, until it reaches a point where it becomes the standard technique.

And now, the individual value corresponding to the new technique is what determines the **[new] social value.** The blue line represented the old social value;

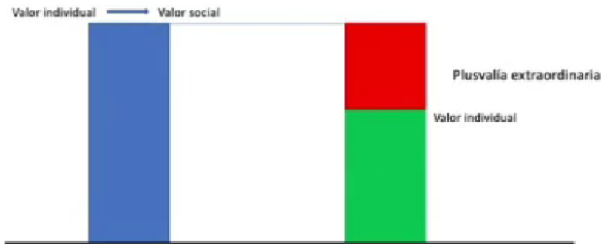
now we have the social value corresponding to the individual value of the new technique. Capitalists who did not incorporate it were displaced from production, and when the new technique becomes widespread, the extraordinary surplus value disappears.

Now, this presentation seems to be a sequence, but what is the actual movement? It's as if one remains in a static situation, and the other also finds itself in a static situation upon incorporating a new technique. But in reality, when the green capitalist increases the productivity of their workers by using a new technique, the blue capitalists don't need to incorporate that technique, but rather an even more productive one. Because if the labor of those workers is more productive, the individual value for them will be lower, and therefore the extraordinary surplus value will be greater. Here it's presented as a sequence where we start from one point and arrive at another, but the concrete development of this determination is a continuous movement, where—to put it this way—the key is *always to be* the one who makes the technical innovation. And so each individual capitalist, through competition, is forced, whether they like it or not, to advance in the development of the productivity of their workers' labor, because otherwise they will be wiped off the map. And this is how this necessity is presented to the individual capitalist. I'm going to finish developing this and then come back to a point. Up to this point, what we've seen is the content of the determination of increased labor productivity, linked to the sectors that directly or indirectly produce the means of subsistence for workers, and the way in which this need is reflected in the consciousness and will of capitalists. But now, let's look, so to speak, at the unity of these two movements:

Let's assume that a worker in any branch of production, during a working day, produces this mass of value [Right column]. And let's assume that the only thing they need to buy to reproduce their labor power is 1 unit of this commodity [Left column], which requires this amount of labor to produce, represented by this quantity of value. Under these conditions, this [v] is **variable capital,** the value of labor power, and only this part of the working day is freed up for the production of **surplus value** [p]. But what happens when we look at the situation with the new production technology, and now social value is determined by this individual value?

From the point of view of capital, of that day, only a smaller part It is necessary to reproduce the workforce, and now a larger part It was freed up for the production of surplus value. From the worker's point of view, nothing changed: they continue working the same hours as before. The worker continues to receive the full value of their labor power, can still buy the same quantity of use values as before, but the value of their labor power decreased. So here we have the unity of this movement. Where did the extraordinary surplus value come from? Marx will propose two steps in this development.

It appears that this worker's workday [**Fig. 1**]



It has the same division as this [**Fig. 2**]:

I would need another diagram to express this more clearly, but let me repeat: if you look at this individual capitalist [**Fig. 1**], there is a portion here that represents surplus value, which is the green portion and corresponds to normal surplus value.

If you look at it, it seems that this capitalist's worker, in addition to producing normal surplus value, produces more surplus value, and so it seems that their labor is enhanced in its capacity to produce surplus value, and that the working day for this capitalist already has a changed proportion between necessary labor and surplus value. But Marx then says: when we get here [**Fig. 2]**, what becomes clear is that surplus value does not arise from saving labor, but from the expenditure of labor. This extraordinary surplus value appropriated by the capitalist who makes the technical innovation is not surplus value produced by their workers, because these workers continue to work exactly the same amount of time as before, and the value of their labor power remains the same as before. This surplus value flows to the capitalist through circulation, but no surplus value is generated there (just as no value is generated there either). Where does this surplus value come from? This is a complex issue to address.

One can look at it in its simplest form, where the capitalist who obtains extraordinary surplus value owes it not to having made the technical innovation, but to the fact that others did not. If everyone had made the innovation, there would be no extraordinary surplus value. So, it's not abstractly a matter of enhanced labor simply because it now produces more surplus value on its own: the extraordinary surplus value is due in part to this increase in productivity, but also to the fact that the productivity of the other producers of that same commodity did not increase. Therefore, it comes in part from the surplus value that the others lost; it's a portion that flowed to the one selling above its individual value. But it's not simply that movement: it depends on the overall unity of social production and consumption, on what role this commodity plays in that overall unity.

What's going on? The **green capitalist** It is selling its commodities at a higher price relative to their individual value [**Fig. 1]**, and therefore the **capitalists who are paying for labor power because that commodity is being sold at a higher price** are depriving themselves of extracting surplus value from their workers [**Fig. 2]** at the expense of the fact that the workers are receiving more than they put into the production process. Then, surplus value is flowing from other branches of social production into this one because the consumption of this commodity has increased, and if there is a given total mass of value, the consumption of other commodities has decreased. And since there is a surplus of other commodities, they will also have to be sold below their social value, *but* now this sale is simply at the expense of the surplus value of the capitalists whose workers produce these commodities. That surplus value that these capitalists lost by selling their commodities in any other branch below their social value because a portion of the mass of value that flowed into that branch flowed into this one, is part of the surplus value that will constitute the extraordinary surplus value of the capitalist who made the innovation.

[...] [149]If a small drop in price below its social value greatly increases the amount of available social need, then it will have to flow... [...] [150]. In any case, what I'm proposing simply addresses where the additional value comes from, who provides

[149]After being corrected.

[150]He has trouble remembering and goes to look it up in writing. He mentions that it's important for the discussion about the source of differential rent.

it, because it can happen that [...] this commodity becomes cheaper because its production has increased, and that the total amount of value that has to flow into this sector is smaller than it was before, and consequently, some of the value that previously went to this sector is freed up to go to others. The compensatory movement is complex.

This concept I've outlined is explored in several examples, but in any case, I can simply share the text with you. These are examples of situations where the extraordinary surplus value appropriated by some immediately corresponds to the normal surplus value lost by others; the case where more value must flow in from outside the sector; and the case where a portion of the surplus value is freed up to flow to another sector. I should really promote my book on land rent and tell people to buy it, but I'll cut out this section and upload it here or send it to the WhatsApp group.

[Responding to Aristides] As the new technique becomes more widespread, the possibility of appropriating extraordinary surplus value will be reduced, because the price will increasingly tend toward the social value determined by the new individual value, [...] and extraordinary surplus value will disappear, until it has vanished altogether in normality, and it is the movement from one normality to another. Viewed as if it were a separate movement for the purpose of analysis: in reality, it is continuous; therefore, the problem for the individual capitalist is not to imitate the other but to surpass him with the new technique.

Ivan: Here begins to appear (not in the development, but in reference to what you are explaining) the need for capital to build a world market, to increase the scale of the market in which it places its commodities and develops its competition.

JIC: Yes, it's a problem from the perspective of the individual capitalist, who needs to find a larger market. What emerges here is: they're killing each other. And indeed, competition is the driver of expansion, of the formation of a market that needs, if one exists... Private enterprise will have different manifestations. One of those we saw was national cutbacks. Well, the size of the domestic market puts a barrier in the way of capital, which needs to multiply the productivity of its workers' labor, and consequently, needs to transcend that national space. So, effectively, the capitalist mode of production, by virtue of having an impersonal social relationship, which therefore has no limits imposed by personal attributes, and because this impersonal social bond moves in response to the need to multiply itself, its reach is necessarily global. The unity of its movement is a global unity.

Then—something we won't go into here—what emerges is that, due to the private nature of labor, even the global market appears fragmented into national markets where competition is mediated, taking concrete form through the direct regulation of nation-states. That's a topic for another time, but indeed, capital cannot stop its expansion, and this expansion takes shape in the expansion of the market in general. Furthermore, it's a need to expand its own market; it's not simply that markets grow.

Alejandro: What Iván mentions was present in Chapter IV in some way, when he mentions that the starting capital has no formal limit to that expansion, although the world market has not been made explicit until now.

JIC: Now it has a further determination: up until now it was simply about expansion. Here is the concrete form by which it carries *the greatest power* to expand. The proper form of capital is not simply that it produced surplus value, then grew larger and produces more surplus value on the same technical base it had before, but rather that it constantly revolutionizes its technical base, so it has no limit *in terms of intensity,* and it has to transform (that is, anticipate) *all* conditions into conditions for its multiplication. Because up until now it had certain powers and reproduced them identically to themselves but on a more extended scale: now what it does is constantly change its power, and so now it has—I'm going to misuse Hegelian terminology because it's not even like that—but if before it *formally* tended toward universality, now it *truly* tends toward universality, because it needs to revolutionize every material condition of production as a universal necessity. And now it is effectively expressed in what concrete form it has this potentiality.

Let's consider one final observation Marx makes on this matter: the capitalist mode of production has this need to revolutionize working conditions, not to alleviate the workers' workload, far from it. Its aim is not to shorten the working day, but to multiply surplus value: merely shortening the paid portion of the workday performed by the worker and extending the unpaid portion. Later, as we move forward, we will see how this very situation gives rise to circumstances that necessitate shortening the working day in order to multiply the production of relative surplus value. But this shortening of the working day, the improvement of the worker's situation, is not the objective of incorporating technical innovations.

The last point I want to make on this, in summary, is that we previously considered social capital as the subject of the surplus-value production process, with individual capitals acting as its organs. When we looked at class struggle and other related concepts, we had arrived at this conclusion. Now we've seen a further step, because the capacity for valorization of each capital in each sector now depends on what the capitals in other sectors do insofar as they produce the means of subsistence for the workers. Therefore, the unity of the movement of total capital in society no longer appears, as it did before we considered relative surplus value, as a circumstance that is, so to speak… Their unity stems from their antagonistic relationship with the workers, and the solidarity among capitalists arises from their competition. Now, what we have is that the movement of the capitalist class no longer emerges abstractly in circulation as a relationship of solidarity. The unity of the capitalist class arises from the production process because the valorization of each individual's capital depends on what others do—up to this point, with the restriction that they are those who directly or indirectly produce the means of subsistence for the workers. Thus, we are progressing toward the determination of the total capital of society as the concrete subject of this form of organizing human life.

Let's begin by examining the concrete ways to increase labor productivity. Starting with what kind of labor—what is the labor we understand up to this point? To move forward in this direction, I'm going to depart from an aspect of Marx's analysis in *Capital,* because it seems to me… Like when we looked at unproductive labor, and now we're going to return to unproductive labor (labor for circulation)… This analysis will confront us with a series of concrete determinations, some of which Marx will develop in Volume 3, and others he won't, but which contribute to the unity of the movement. But it's also a synthesis of what we've discussed so far.

Where did we begin in Chapter I? We started with who appeared as the subject of social production in the capitalist mode of production, and what we had was the commodity producer, the production of simple commodities. What was the commodity producer? A free individual who has full control over their individual labor, private ownership of their means of production, but lacks any control over the social character of their labor: they cannot cooperate directly with others, they don't know if what they produce is socially useful or useless (if it is, it is so in production, but they have no way of confirming it until they put it into circulation). It is the fullness of social labor carried out privately and independently.

When we shift our focus from this commodity producer to the function of money as capital, we find that the direct producer is no longer simply a free individual, but doubly free: the condition for being a commodity producer is not having private ownership of the means of production, and they no longer have full control over their individual labor. They are required to possess the productive attributes of a free individual, but they do not decide what to produce, how to produce it, etc.; rather, the organization of their individual labor is embodied by the private owner of capital, of the means of production, who has ceased to be a direct producer. And in this shift, what emerged was a first step in the socialization of private labor.

From the fullness of social labor performed privately and independently, we find that within the capitalist mode of production, where there was no control over the social character of labor, the first form of control over the social character of the labor of free individuals emerged as the capitalist's capacity to control the worker's labor. One is free in relation to the other, and now there is a capacity to control the social character of labor. Outside this unit of production—individual capital—labor remains private: it is social labor, done for others in socially necessary abstract labor time, etc., which outwardly is organized privately, but inwardly, we have a first step in the socialization of that labor by free individuals.

To express this (and that's why I'm departing from Marx's analysis), I use this scheme regarding the functions of the capitalist:

What does it mean to personify capital? It means, first and foremost, organizing production. And Marx, in his immediate development, doesn't focus on the capitalist in this role: he personifies capital and contributes nothing to the production process; he becomes a non-producer. But later, as the development unfolds, certain moments appear when it becomes necessary to organize the worker's labor, and the material organization of that labor is a working condition for developing the materiality of this labor process. Consequently, in that sense, the capitalist does a part of the work. This is always presented in Marx only partially, but one has to recognize it in this condition. And I summarize this by saying: the capitalist [k] has to act as the productive consciousness [PC] of his capital within production: he is the one who organizes production, decides what, how, and how much is produced. And this is a material condition for being able to produce.

If the capitalist effectively participates in the production process, then, as a necessary part of the socially necessary labor performed privately and independently, their abstract socially necessary labor materializes in the commodity as part of its value. What the capitalist can never produce with their own labor is surplus value, because it is a condition of having purchased labor power, whose use value is that it produces more value than it costs. And since the capitalist can never sell their own labor power, they can only produce the amount of value corresponding to the labor they actually apply, whether in management or alongside their worker in the immediate materiality of the process; they can only produce value. From the perspective of their capital, their own labor is unproductive.

What needs to be done with capital so that it can be put into operation once production is complete? Capital must be personified in circulation. This is the aspect that Marx completely excludes in Volume 1, because he won't consider it except when he has to make this leap from looking at competition in circulation to explaining the mechanism, and then say: "What we're going to do is look at the content as if it were the immediate objective," and then the movement in circulation won't appear. And what we have here is that this is labor that doesn't produce value: it's simply transforming money into commodities and commodities

into money. I schematize it as consciousness in circulation [CI]. And finally, we've already seen that it has an antagonistic relationship with the worker; it has to force the worker to surrender the greatest possible use-value of their labor power to capital. It has to make them work as much as possible, and it has to coerce the worker. Coercion that acts as a relationship between free individuals, but which is effectively a condition for personifying capital to act as the coercive consciousness [CCo] of the worker.

As we continue to explore the material forms of production of relative surplus value, we must keep in mind that we are starting from *this* labor now performed by this specific subject ["o"]. This subject is not a serf (we will see how to increase the productivity of their labor), nor is they a slave. It is in the productive attributes of this individual that we develop, both as productive attributes of this individual and as attributes of organization/personification of the commodity, and later of capital, as this other individual ("k").

The first step in this unfolding (I'm mentioning this now so you can move forward with this point) is, again: there are two ways to expand powers, extensively and intensively. Which is the simplest way? Extensively. So, the first step is to take the isolated worker and extend their work: let's put them alongside other workers, to see what happens to that work, which appeared simply as the individual work of each worker, when it acquires the material character of social labor, and consequently, when we take a further step in the socialization of private labor. And this is what will appear in the chapter on cooperation. [...] Let's look at that chapter and see if, from this extensive development of the social character of labor, an intensive development arises. And in that case, what we will see is the division of labor and manufacturing.

[Productive/unproductive. Public/private]

We were going to start with ways to increase the productivity of labor, of free and individual labor that is no longer simply that of the producer of commodities, but that of the worker selling labor power, but we only know it in this condition of a "purely" individual labor as it was that of the simple producer of commodities.

[…] We said: here the determination of the capitalist mode of production as a revolutionary mode of production emerged. It doesn't matter if we're talking about capitalists who directly or indirectly produce the means of subsistence for the workers, or who produce commodities for the individual consumption of other capitalists: all of them have as a condition of life or death the effort to be at the forefront of the development of the productive capacity of their workers' labor; competition imposes this upon them. The content is this: when it comes directly or indirectly to the means of subsistence of the workers, the power of the capitalist mode of production to advance not only extensively but also *intensively* in the development of the productive forces of social labor is expressed. The materiality of labor is continually revolutionized, and likewise, the subjectivity of both the capitalist and the worker. […[151]]

In contrast to previous modes of production, where the immediate goal of production was simply to produce use values for human life through bonds of personal dependence, here the goal is to multiply the capacity to set social labor in motion, and only if this multiplication is satisfied (if surplus value is produced) are use values for human life produced. When we examine the material forms of increasing labor productivity, the modification of the technical conditions of production, we will simultaneously be looking at what happens to the worker, what happens to the capitalist, as human subjects.

There's an issue I was thinking of incorporating now, which will delay us a little in starting the chapter on cooperation, but which I think is important for a reason we've already discussed. Marx only deals with *productive workers in Volume 1;* the workers of circulation appear much later, in Volume 3, when we begin to talk about the forms that capital takes as capital operating in circulation, as commercial capital. […] We've already seen that in circulation, value production can appear, but embodied in use values that don't reproduce human beings, but are simply necessary for circulation, for the movement of commodities, the transformation of M-C/C-M. If we follow Marx's line of thought, we'll only see one part of the doubly free workers, and at the same time, we'll arrive at the historical character of the capitalist mode of production. This situation has given rise to a series of questions regarding the role of the workers of circulation.

One of these problems is that, since no new value arises from circulation, circulation workers are paid with surplus value and are allies of the capitalists because they participate in the appropriation of surplus value. Arguments have arisen that they are therefore not members of the working class, that only productive workers are. And the idea also emerges that a worker is productive if

[151]Connection cut.

they perform manual labor. And when one examines the concrete forms of determining what constitutes a productive or unproductive worker, these problems arise. We have viewed them as simply producers of commodities, but now we must consider them from the perspective of who is a productive worker, who is a circulation worker, and who is an unproductive worker of surplus value.

If I look at a worker in a bank, a bank employee, it's clear they are a worker of circulation: their function is to move money—not even to convert it into commodities—it's a process in which no use value is created from the perspective of the reproduction of human life; it's simply an expense incurred by capital due to the very nature of the capitalist mode of production: the unity between production and social consumption is established after the fact and separately from production, through circulation, and consequently, work must be done that simply serves circulation. So, it seems clear that one can easily identify who is a worker who produces surplus value and who isn't. But when one looks at the statistical classification of a worker in the commercial sector, problems begin to arise, where this isn't so clear.

I'm going to give some examples (unfortunately, they're separated by gender, so I'll list them separately for each case): the supermarket cashier is, first and foremost, a worker of circulation: her function is to convert commodities into money. But at the same time, what she does is update the *stock* in the warehouses, etc. And that's the organization of a movement that is part of production. I should have clarified this earlier, but the physical transport of commodities is necessary for those commodities to have use value. The package of noodles in the manufacturer's warehouse isn't a commodity for me; I have no way of exchanging my money for what's in the factory: it must be transported to a place where I, as a buyer, can access it. Clearly, the physical transport and preservation of the noodles in good condition is part of productive labor: it preserves the value of the noodles, and the labor expended in those processes adds to their value. The labor of storage… Wheat at harvest time has a value, which is the labor expended in producing it at that moment. After 6 months, since it had to be stored, and since part of it was physically lost because it decomposed… […] [152]…because it had to be handled, plus the value of the part that diminished, because it was inevitable that it would diminish, then the cost of storage adds up.

But let's go back to the example of noodles: in the supermarket, they still don't have a use value for me, otherwise I could just grab a bag of noodles from a pallet full of them… They do, in fact, have a use value for me when they're on the shelf [153]. Organizing the noodles to get to the shelf so they're available to me as a use value is part of productive labor. And for that, the cashier needs to update the stock. Then, a form of wage labor emerges where it's no longer easy to distinguish: she does this as a productive worker and that as an unproductive worker. And if I go to the [154]shelf stocker, who is usually a man, it seems to me that he's a productive worker because he's the one in the warehouse, etc., but that same worker is the one who puts those price tags on the front of the shelf, and there he's a circulation

[152]Brief connection interruption.
[153]Displays or shelves.
[154]Also called “gondolier”, or “stocker”.

worker, not a productive one. Knowing how much that costs me doesn't change its use value.

And now I'm going to go to the truck factory, to the automotive industry. And of course: trucks are for transportation, so the worker must be productive. But it turns out that some of those trucks are armored trucks, for transporting cash. And when the worker is assembling the armored truck, he's not producing to produce human lives, but a means that is necessary for the circulation of money. So, that worker, *as soon as he produces that,* is unproductive. Now, to produce that, he has to use a sheet of steel, which was produced by a metalworker… […] [155]…who, when he was producing it, wasn't productive either. And the miner who extracted the iron, the one who smelted it, the one who made the necessary fuel… […] [156]…the one who extracted the oil that ended up in the armored truck, is unproductive. And in the example of the bank, the construction workers who build the bank building represent an expense in the circulation of money.

So, first of all, we have the problem of differentiating between a productive and an unproductive worker. There are attempts to measure abstract forms of the general rate of profit, in what would correspond to the simplest determination of the general rate of profit, which try to separate these differences. So, they clearly consider bank workers unproductive, and when they move into retail, they don't know what to do. Therefore, they apply a 50/50 criterion. And when they move into the automotive industry, they are all productive, regardless of whether what they produce serves to reproduce a human being in a more or less direct way. This leads to a point where two studies, covering roughly the same period with different criteria for what is included and what is excluded, end up reaching opposing conclusions; one sees a movement in one direction and another in the other.

As we look at all these transformations, which affect both productive and circulation workers, and in many cases are more noticeable among the crudely circulation workers than among the productive ones (who are mixed with those of circulation), it is important for me, before we begin to look at the transformations, to clarify this and see what the difference is between a productive worker and a circulation worker, whether, as one cannot classify them in the attempt to do so, whether in the concrete practical movement these workers have differences beyond the determinations of their immediate consciousness, whether they are the same or whether they are different, and also to see why circulation workers are not productive of surplus value.

I propose we look at some diagrams where this appears, and one more question that relates to the condition of many of us present here is what happens to education workers, whose specific job is to operate in the process in which other members of the working class develop the intellectual (and manual) capacities that correspond to certain productive attributes, whether they are productive workers, unproductive workers or it is difficult to distinguish.

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[155] 2-minute cut.

[156] Voluntarily disconnect so that someone with connection problems can join the meeting.

Source of circulation expenses

point of view	Produce
Simply material	Use values
General material/social	Use values for others
Commodities	Worth
Capital	Capital gain

From a material perspective, it produces use values. These are social use values because they are use values for others, but they are not use values that serve to reproduce human lives: they are neither means of subsistence nor means of production that serve to produce means of subsistence. Therefore, if we look at it from the perspective of what is at stake in commodity production, it is whether they produce value, and from the perspective of capital, it is whether they produce surplus value.

Trabajo de la circulación a cargo del capital productivo
Plusvalía extraída al obrero productivo
p (TVI)
Valor de la fuerza de trabajo del obrero productivo
v (TVP)
Plusvalía extraída al obrero productivo
p (TVI)
Plusvalía neta
Valor de la fuerza de trabajo del obrero productivo
v (TVP)
W C
Valor ft del obrero improductivo
Capital industrial sin gastos de circulación
Capital industrial con gastos de circulación

I did this quickly, and it may have quite a few shortcomings. On the left would be the purely productive: the productive worker whose labor **power is valued** is the blue part, and " *p* " is the surplus value that is extracted from it. Up to this point, this is what Marx would later call "industrial capital," but with greater complexity. I put it this way, although it's not entirely accurate, but it corresponds to the cycles of industrial capital without circulation costs. The first step is to consider that it does have circulation costs [right], but that it covers them by purchasing labor power. of **workers for circulation.** What happens to the value of the commodities produced by this productive worker? Their use value remains unchanged, as does their value. Therefore, if the unproductive worker must be paid the value of their labor power, the only way for the capitalist to pay them is by using a portion of the surplus value extracted from the productive worker. This is the situation of the capitalist who has both productive and unproductive workers, because they must circulate their own capital.

[...] Here we have the circulation worker. Now let's suppose that he has to buy the commodity produced by a capitalist who works solely for circulation. That capitalist has to pay the circulation worker his wages. And let's suppose that, since

the circulation worker spends the same amount of time working for himself as he does for the capitalist, the commodity produced for circulation appears to have the same value as the common commodity, the one produced by productive workers. So, when the industrial capitalist buys the services of circulation, the value of the commodity he will have to buy is the wages of the circulation workers plus the surplus value that the circulation capitalist will appropriate. It is the value that materialized in this use-value that serves only for circulation. But *it seems* that the circulation worker has produced a quantity of surplus value. But with what does he pay for the circulation commodity… […] [157]?

Let's consider that the value of the commodity in circulation... consists, on the one hand, of the wage of the worker in circulation and, on the other, of the surplus value extracted by the capitalist. In that case, the industrial capitalist would have to pay the capitalist in circulation the full value of the commodity in circulation. The capitalist in circulation would appear to receive a small amount of surplus value from the worker, but where did that small amount come from? From the surplus value that the industrialist had extracted from the worker. Part of the industrialist's surplus value went to pay the worker's wage, and another part went to pay what appeared to be the surplus value of the capitalist in circulation. The result is that there is only one surplus value: that produced by the capitalist who exploits the productive worker.

I wrote here: if the industrial capitalist had his own worker for circulation, he would only spend a small portion of the surplus value on circulation. It seems that if he buys a circulation service or a means of production to use in the circulation process, it becomes more expensive, requiring him to sacrifice more surplus value. The reality (and this appears in Volume 3) is that since the circulation capitalist is specialized in circulation, it is more efficient for him to have a circulation worker than for a capitalist who is not specialized. Secondly, he combines the circulation of different industrial capitalists. The result is that, even though he is appropriating a portion of the industrial capitalist's surplus value, buying the circulation service can be cheaper for the industrial capitalist.

If we look at the unproductive and the productive worker, we find that both are doubly free individuals selling their labor power. Let's assume the value of their labor power is the same, that the intensity of their work is the same, and since there is a standard working day, they have the same workday. Therefore, in the process of selling their labor power, there is no apparent difference. The difference lies in the way they are exploited. The productive worker is exploited because, during surplus labor time, they produce surplus value. The worker in circulation is exploited because, during *surplus labor time* (they also work beyond what corresponds to the value of their labor power), they produce a surplus product, although it doesn't take the form of surplus value like the productive worker's. They are just as exploited as the productive worker in terms of how much they work for themselves and how much for the capitalist.

[157]Cut in the recording.

I emphasize all of this because we've already examined the working class, and from the perspective of its antagonistic relationship with the buyer of labor power, the relationship of competition to sell one's own labor power and the relationship of solidarity in selling it at its value— and therefore, the extension of that relationship of solidarity that contributes to the universality, to the constitution of the working class—are indistinguishable. I wanted to stress this because we're going to explore, beyond what Marx presents, the transformations that both undergo. First, we'll present the exposition as Marx develops it, which only refers to what happens to the productive worker. And when we've finished, we'll revisit that development with elements not found in *Capital,* but which, after 150 years of the capitalist mode of production, one cannot ignore, considering that the objective is not to interpret the text, nor to know in the abstract what it says, but rather to reflect on one's own condition as a historical subject.

[Iván comments on how confusing it is to differentiate between productive and unproductive work, noting that some companies seem to do purely circulation work, like MercadoLibre, but also work to bring commodities closer to the shelf, etc.]

JIC: From the perspective of the development of the content in its concrete forms, which this general social relationship takes, it's essential to differentiate between a productive and an unproductive worker. To ignore this difference would be to turn it into an abstraction. When one tries to separate them, there are some clear cases… I would be harsher on MercadoLibre, because it brings you closer to the storefront but not the product itself, and when it does bring it, it certainly charges you for its services. But in reality, to a large extent, what it's doing is operating purely within the circulation process (this could be debated, because it's very difficult to separate). So, from a concrete point of view, if one starts from the opposite perspective and says: I have these situations and I want to know if they are productive or unproductive workers, there are cases where it can become very clear. Among productive workers, there's a problem: a large part of the commodities used as use values for human life are also used as use values simply for the circulation process. If I look at a construction worker building houses, I say: it's productive because he's building things that have value for human life. I see that same worker building a bank and I say it's unproductive, because there's no activity there other than moving money around.

Ivan: But there are also workers who do unproductive and unproductive work, like the bank executive who generates a check... Or you had given the example of the cashier.

JIC: Yes. The one who issues the money, the one who is providing a form of D-credit, is making a promise to convert it into money; it's not a use-value for human life. When we started, gold appeared as money with a dual role: it's a use-value for human life, and at the same time, as a representative of value, it functions as a medium of circulation (to put it simply). And that's where the problem of how to distinguish what is value-producing labor and what isn't arises for the first time. At the time, I put it this way: when Marx enters Volume 2, it becomes very

immediately apparent that money-producing labor is unproductive, which is why the aim is to replace gold with signs of value, which require much less labor than producing the gold that the sign of value represents. Marx's example isn't used anymore, but he says that gold can be used to fill teeth or to make a piece of jewelry that won't be kept in a safe but will be used, and in that case, it satisfies people's needs. Gold produced to function as money does not satisfy any human need; it only serves for circulation.

Why do I always raise the need to consider productive and unproductive labor in Volume 1? The second reason is what we're looking at now, differentiating between productive and unproductive workers, but the first reason is that when you look at gold production, if gold only serves for circulation, and the product of labor for circulation isn't represented as value, then you run into the contradiction that gold serves as a measure of value because it is itself a value, but it turns out that if it's produced for circulation, it wouldn't have value. Last year, when we first got into circulation, I brought up the labor of circulation, that the labor that produces gold for circulation is represented by value. But what happens to that value?

When one looks at the reproduction of society's life, that value is subtracted from what producers of commodities not intended for circulation have available for consumption. When we look at it in the capitalist system, it becomes clear that what one appropriates as surplus value is actually what the other contributed as surplus value, and there is no new surplus value. In the case of simply looking at value, it appears more diffuse, because: here there is a mass of produced value (including what was spent producing the gold that will function as money), but then, in the process of human consumption, only a smaller mass of value enters. And the value that was in the gold dedicated to circulation either remained in the gold, or, let's say, the gold was completely depleted and disappeared; it is a mass of value that vanished, and there was no social wealth in use values for human life corresponding to that mass of value.

So, when one asks about the difference between a productive and an unproductive worker, it's very difficult. That's why, when there are discussions about whether the rate of surplus value can be calculated (the same applies to the rate of profit, but we haven't seen that yet) by considering income distribution… That's not the rate of surplus value. First, because the wage bill includes circulation wages, which are actually a part of surplus value. So, that pseudo-rate of surplus value derived from income distribution actually contains a much higher rate of surplus value, because it has been doubly reduced: the surplus value *bill* is smaller because circulation costs are subtracted, and the wage bill bill is larger because circulation wages are added. And since the instruments used, the means of production used for circulation—tools, buildings, materials…—(which are not means of circulation, that's money), are subtracted from surplus value, they are also paid for with surplus value.

So, when you look at the national accounts, for example, you find that the wages of circulation and the costs of circulation, which are paid with surplus value, are subtracted from surplus value. Therefore, what you get is not the rate of surplus

value, nor how the working day is divided. This working day is divided much more severely from the workers' point of view; they produce much more surplus labor than would appear in that calculation. When you want to take the rate of profit on that basis, as we understand it when we've progressed this far [in its pure form] (surplus value/advanced capital), the problem begins: from advanced capital, I have to subtract the wages of circulation. How do I do that if I can't identify who is and isn't a worker in circulation? From capital, I have to subtract the costs of circulation, which are "capitalized," and those aren't part of the capital I need to consider if I want to calculate the rate of profit in its pure form. I can measure the concrete form, and I know that from that concrete form, I can't reconstruct the abstract form.

If I calculate a pseudo-rate of surplus value based on the national accounts, I have to know that this isn't the actual rate of surplus value, and especially that it's much higher than what I'm calculating there, and that the rate of exploitation is also much higher. When one is answering questions about the content that is taking concrete form, precisely so that one can later identify that one cannot quantitatively reconstruct the content from the concrete form, one needs to clearly distinguish between a productive and an unproductive worker. One won't be able to distinguish the magnitude of surplus value, variable capital, etc.; one can, however, explain why one won't be able to reconstruct it and what the consequences are of trying to reconstruct it. What one has to look at is the concrete form, what happens to the concrete rate of profit.

The movement of the rate of profit, which corresponds to what Marx develops as the "law of the tendency of the rate of profit to fall," is immeasurable from concrete statistical data. This is the basis of the example of three economists: Fred Moseley, and Shaikh and Ahmet Tonak, who arrive at different results. One of them (working with the US, though the period isn't exactly the same) finds that the " Marxist" or "Marx's" rate of profit (as they call it) rises, but that the actual rate of profit falls due to circulation costs. The other two find that the rate they call "Marxist" falls. And when you look at the basis of their calculations, they are so crude... Moseley asks: what do we do about the expenses of the commercial sector? 50/50%: It takes the mid-1940s (this work, if I'm not mistaken, is from the late 1980s) and the commercial structure in the US from the mid-40s to the late 80s, which changed completely. Was the employee in the old warehouse (which no longer exists, at least in Argentina) who delivered the commodity and collected payment more productive than the supermarket employee today? It's impossible to answer that. It doesn't make sense. The problem is that, by not developing the determinants down to their concrete forms, one then tries to jump from those concrete forms to the magnitude of those determinants that weren't being developed. So, measurements of the movement of the general rate of profit are not those of the law of the tendency of the rate of profit to fall; they have a lot of mediating factors.

And second: it's pointless to measure it. That's a law that will have a movement that will ultimately be reflected in the movement of the concrete rate of profit, but with a lot of mediating factors, or it's a law that simply doesn't have that real movement. Even though some people measure it with great enthusiasm, it isn't…

The one that's measured with concrete data isn't the law of the falling rate of profit, and the one that's supposedly measured according to the falling rate of profit is a… farce [158], so to speak. Because, among other things, Shaikh, Tonak, and Mosley all categorize the industrial sector as productive. And I say: in that sector are all those who make instruments that are later used for circulation. The condition of being a productive worker doesn't depend on the materiality of the product, but on what need that materiality satisfies: whether it satisfies a need of the person or a need for personification.

The worker in the circulation sector is exploited, producing surplus labor and a surplus product. And their rate of exploitation, generally speaking, is no different from that of the productive worker. Because if the value of labor power and the length of the working day are the same, the rate of surplus labor is the same. The difference is that one produces surplus value and the other simply produces surplus labor, but they are exploited by capital in two distinct ways, which, when examined in concrete terms, end up being indistinguishable.

Pedro: I had a question about the evolution of capital in relation to productive labor, whether there's a tendency to increase productive or unproductive labor. I see that as capital expands, more and more banks and stock exchanges are needed, and *high-tech, YouTube, and other technologies emerge.* While I don't mean to say that everything digital is unproductive, there does seem to be a trend in that direction.

JIC: Since it's very difficult to distinguish between productive and unproductive labor, I couldn't say whether there's a movement to multiply unproductive labor. Rather, I would say that it's a necessity for capital to do the opposite, because it exploits the unproductive worker but doesn't produce surplus value for them, and the production of surplus value is the purpose of production in the capitalist mode of production. Saving on circulation doesn't increase the amount of surplus value for capital, but it frees up surplus value that can be allocated to accumulation. So, one sees that saving labor in both production and circulation—which would be the increase in labor productivity (a technical relationship) in production and circulation—is something capital needs to increase: one allows it to appropriate more surplus value, and the other frees up surplus value; both enhance accumulation.

Consider, in this regard, the savings in circulation costs that virtual banking represents: instead of having a bank (which, moreover, due to... These are capital representation costs, and it needs a building, etc.), a building, and a bunch of tellers, it has a warehouse... Land rent also comes into play here, because instead of being in the most expensive location for capital movement, it's in a cheap location; it doesn't even have the warehouse, it may have its workforce distributed in many places, even though it has the option of paying labor below value because it's not concentrated together and can't develop its solidarity relationships... But there are enormous savings in that.

[158] A scribble, a shoddy and poorly made thing.

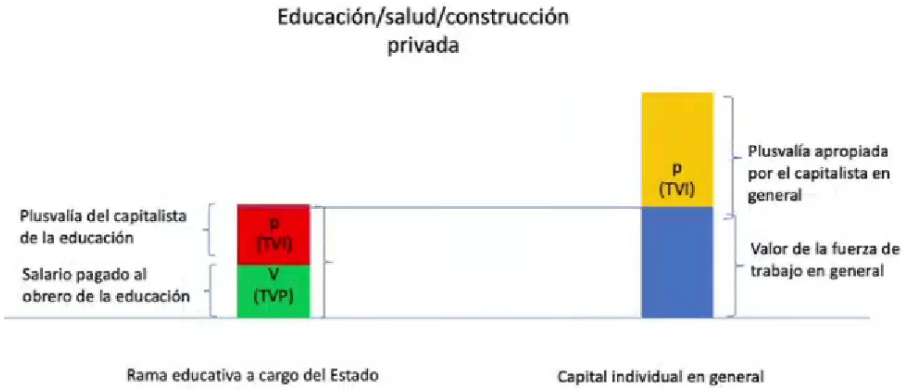
To make a financial transaction in Argentina, before, for the buyer to pay the seller, they had to issue a check, which had to be printed on paper and physically delivered to the seller. The seller would then take that check and physically deliver it to the bank. The bank had to physically deploy a whole security detail on-site, and to handle the cash drawers, they had to transfer those checks to an armored truck that would take them to a location for clearing. Today, all of that is gone… There are very few people still alive mediating the process. So, it's an enormous saving in circulation costs. Then it's associated with other issues, with the moment when capital accumulation is occurring; we'll see that in Volume 3, but it goes beyond what's discussed there. We're going to see a technological development, and a large part of this plays a central role in circulation costs; you see it more in circulation than in production. And the example you gave is this, through the internet, which has had a much more powerful effect on circulation than on production itself.

There's one more step that I've never quite grasped. I'll present it as it comes to me, but I have some reservations (is it really that simple?): to what extent does the movement reverse itself, where labor that is unproductive from capital's perspective becomes productive from the perspective of human life? And this is the labor applied to produce the means of subsistence that unproductive workers will consume. From capital's perspective, it's unproductive: the value of the circulating worker's labor power includes the labor performed by all these workers who produced their means of subsistence; they produced something that isn't a use-value for capital. If this is the case, this contradictory development arises. And then, there would be workers who are productive for human life and unproductive from capital's perspective. Someday I'll sit down and think more carefully about whether this is true or not. If it is, from capital's perspective, there are many more unproductive workers. Or the question is whether these workers who produce the means of subsistence for unproductive workers are productive workers from the perspective of capital, if they have produced surplus value for their capitalist. But I return to the conclusion that they are not, because that value reappears as the value of labor power, which must be paid for with surplus value. Therefore, the surplus value that the capitalist who used the labor power of these workers producing the means of subsistence would seem to have appropriated was paid for with surplus value.

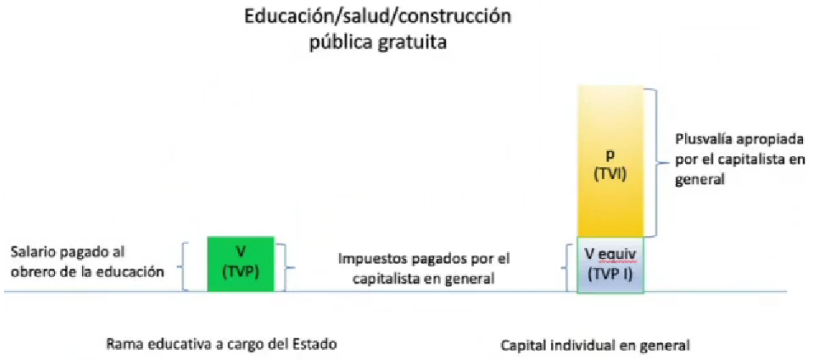
Related to this is the question of workers in education, healthcare, and public housing construction provided by the state. Depending on the social status assigned to the products of these workers, are they considered productive or unproductive? We must also distinguish between use values accessed directly or indirectly as citizens and use values produced by state workers, accessed by purchasing the commodities, and the price at which the state sells those commodities.

Daiana: The last questions you asked, do they have to do with how these services (education, health and housing) are accessed in terms of whether they are public or private?

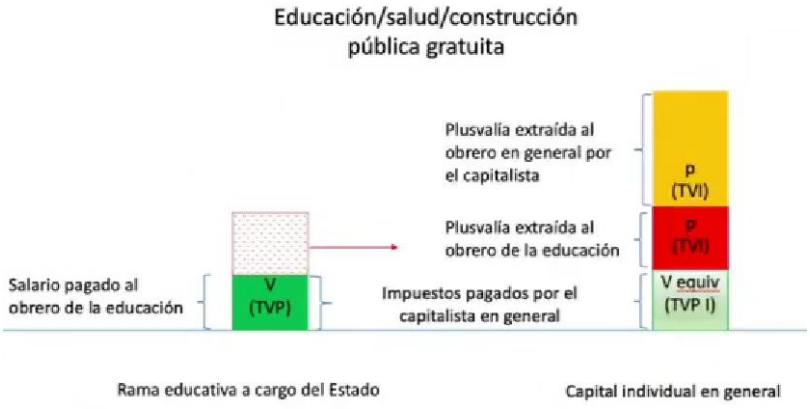
JIC: Yes, but I later realized that Argentinians have a less universal understanding of what constitutes "public." Thanks to my Chilean colleagues, I learned that my assumption that "public" means "free" isn't true: there's public education that isn't free. In that case, we could discuss the price the state, as the seller of this commodity, is charging the buyer. It might be the full value, it might not. But the stark contrast is this: on one hand, a private capitalist produces this commodity, and on the other hand, the state produces it, and access is granted through citizenship, making it a right of the citizen (though not immediately so in the case of minors, but rather for the adults who have legal authority over them). And so, it goes to appear this:


Educación/salud/construcción privada
Plusvalía del capitalista de la educación
p (TVI)
Salario pagado al obrero de la educación
V (TVP)
p (TVI)
Plusvalía apropiada por el capitalista en general
Valor de la fuerza de trabajo en general
Rama educativa a cargo del Estado
Capital individual en general

Let's first consider that, for example, education is a commodity. Marx views private education in this way (let's disregard whether it then enters circulation or not, let's treat it as if it were productive), and he says: the teacher sells their labor power for its value; there is an education capitalist who sells this commodity for its value... let's assume that the value of the teacher's labor power is the same, that the workday is the same (it's more intensive work, which is why the workday is shorter, despite the misery that prevails in Argentina, which forces teachers to work double shifts when they are supposed to be shortened), and that it has its rate of surplus value. Let's assume that education is the only commodity that needs to be purchased to have labor power to sell, and therefore the entire value of labor power is determined by the value of this commodity. That this [left column] is the amount of education required for a normal working day and that it has this duration [right column], and that therefore this is the value of the labor power of this worker, who is a worker in general, and the ratio between p / V labor power It's the rate of capital gains. What happens when education (or whatever) is provided by the state free of charge?


Educación/salud/construcción pública gratuita
Salario pagado al obrero de la educación
V (TVP)
Impuestos pagados por el capitalista en general
p (TVI)
V equiv (TVP I)
Plusvalía apropiada por el capitalista en general
Rama educativa a cargo del Estado
Capital individual en general

In order to pay teachers, the state needs funds, which it must collect from somewhere: through taxes [159]. Let's assume that taxes are paid by capitalists in general. The state creates the workforce, endowing it with resources, simply by spending money. If the capitalist had to sell their commodities at their value, which included both paid and unpaid labor, the state's approach is to avoid both deficits and surpluses. Therefore, taxes must cover the value of the teacher's labor, no more and no less. Now, the capitalist has this labor, which, in this scenario, represents the sole component of the worker's labor power—the taxes they paid to the state to educate the worker. Now, the capitalist provides this labor power free of charge, without any educational cost. And consequently, if we compare [this scheme and the previous one], if education is private and paid for, this is the rate of surplus value, and if education is public and free, it is this other one: it only cost capital *in general* what it paid in taxes to educate its worker with the attributes of labor power it needs. And then it appropriated all this mass of surplus value, which was produced entirely by its worker, or partly by its worker and partly by another worker that reached this capitalist ? The answer this in this scheme:



The education worker produced this part with his surplus labor. of the surplus value that the capitalist in general will appropriate for free. This worker [right column, bottom block] did not produce it, because his working day is the same; he worked the same amount as before. The value of his labor power was actually all of this [entire left column], because the value of a commodity is not the price at which it was purchased in the abstract, but the amount of socially necessary abstract labor expended in producing that commodity. And the labor expended in producing that commodity is all of this, and consequently this worker [left] produced this amount of value [left, top block] which is appropriated by this capitalist as surplus value. It appears to have sprung from the labor of this worker [bottom right], which in this case, since I only considered education, would be what the capitalist had to pay in taxes, but he did not produce more surplus value than he would have produced under these conditions [private scheme].

It produced exactly the same amount of surplus value, only that a portion of what appears as surplus value appropriated by capitalists in general is actually value (and therefore surplus value) produced by the unpaid labor of state teachers,

[159]This development by Iñigo Carrera is set out in section 3.6 ("The production of the worker in large-scale industry") of his work *Capital: Historical Reason, Revolutionary Subject, and Consciousness* (2013). Buenos Aires: Imago Mundi.

healthcare workers, state construction workers, and so on. Consequently, free public education eliminates the individual capitalist in the education sector (it cannot function because it would have to sell at a higher price, and capital in general obtains it through taxes at a lower price), and from the perspective of total capital in society, it increases the rate of surplus value, thanks to the surplus value produced by state workers. The same applies to public construction, which includes not only housing but public works in general.

Daiana: Here these three issues are discussed together, even though construction has a difference, I understand, which has to do with the fact that there is no public construction company but rather an outsourced business, or shouldn't we think of it that way at this time?

JIC: The thing is, it's happening now. Historically in Argentina, for a long period, services were very generously outsourced, as they are now, but there was a whole period in which the state was the one doing the building. National Highway Administration, throughout a historical period, was the entity that built the roads. And it also appears in other forms, which I haven't included here, but it appears with public services when the state sets a tariff… When the electricity service was provided… Here it was SEGBA [160], but in general, there was a very long historical period when this service was provided by… First it was called the German Transatlantic Electricity Company, then the German-Spanish Company (I think that was its name), and then the Italian-Argentine Electricity Company (CIAE). There, generously, the price was even higher. When the nationalization of public service companies came about, from that point on, SEGBA provided the service; it wasn't under concession.

The state also manages the railways. This wasn't unique to Argentina; it was also the case in France. Then, precisely, another phase of capital accumulation comes along, and this changes. But when these services were provided directly by the state, the railway fare could be placed, let's say, here [a scheme of free public services]. It's important to consider that the production of education requires not only living labor but also dead labor (school building, tools, blackboard, chalk, etc.). I've simplified it here. In Argentina, moreover, the state doesn't even collect the cost of the service through fares, which is why the railways run a deficit. This plays a central role in capital accumulation in Argentina because if there's no tax, and also no fare, then the rate of surplus value is much higher, because the value of labor power or production costs are lower. But that corresponds to a phase of accumulation that will come later.

Ivan: I have two questions. If all capitalists pay for education through taxes, what is the benefit of paying for it through taxes? If what isn't being paid for in terms of labor isn't being paid for through taxes…

JIC: But the value of the commodity-education is not paid; what is paid is the *cost price* of education, not the value of the commodity, which is paid when education is private.

[160] Electric Services of Greater Buenos Aires.

Ivan: The difference is that the added value would not be paid if it were private.

JIC: Exactly, and that's surplus value that remains available to all the capitalists in society. That surplus value came from the labor of education workers and was appropriated not by the education capitalist (which is the state), but by all the capitalists in society.

Ivan: The other question is: how is the usefulness of that "investment," of that public activity paid for through taxes, established? For example, what is the benefit of the San Luis route being in better condition than the General Belgrano Road, which runs from the capital to La Plata and is in terrible condition, and which millions of people should be traveling on, while the other route is in better condition but has very little traffic? It doesn't translate into something truly useful for the population as a whole.

JIC: Well, if there were a Rodríguez Saá here, he'd answer: "Because we manage the province" [Laughter]. There are many ways to get to that point, but the general idea is this: the state shouldn't have a deficit or a surplus; its accounts must be balanced. Therefore, what it spends on different things must correspond to the normality of the national process, or, in general, of capital accumulation. It has to be consistent with that. If it spends more than necessary on something that, in the unity of the movement, is a non-use value, it will happen that it collected revenue, but then there will be fewer use values to consume. It will become clear, in some way, that from the point of view of the total capital of society, under the current political system, that wasn't the most convenient thing to do. This is the simplest determination: there is neither a surplus nor a deficit. And if the services provided by the state promote capital accumulation within its jurisdiction, then that portion of social wealth is well managed and properly allocated. Then come the concrete steps: budget discussions, analysis…

One mustn't forget that, since it's an objectified social relationship and everything is bought and sold, everything can be allocated according to what is paid for… Marx argues that things that aren't commodities, like morality, are bought and sold. I would put it more in terms of the immoral act being bought and sold, and that has a material existence; it's not in the "spirit" of the subject, but rather something concrete. Then, all the concrete forms appear. The state is the representative of the total capital of society, but the interior of that total capital of society is full of antagonistic relationships that will manifest themselves in different ways. But there's also a general issue, which is why, at certain historical moments, there's a whole series of use values produced by the state (we talk about "public services"). And it's not just in Argentina; it's been common throughout the rest of the world, except in some parts of the US. In other parts, education wasn't provided by the federal government, but it remains free for the inhabitants of the different states. And why, from a certain point onward—which has, among other enormous advantages, the possibility of very high labor productivity due to the scale of the capital operating—does this reverse, so that everything that was previously accessed through citizenship becomes accessible only through the sale

of labor power or the purchase of the commodity itself from individual capitalists who are not the state? But that's a topic for another time.

Edgardo: I don't quite understand how individual capital appropriates the surplus value generated by public education workers that is not appropriated by "state capital," so to speak; what are the concrete forms under which they appropriate this surplus value.

JIC: The value of labor power is determined by the value of the commodities necessary to produce that labor power with the attributes that capital demands: it demands educated workers who have undergone a formal education. The value of these commodities is determined by the amount of socially necessary abstract labor expended in producing them. Consequently, the amount of labor expended in producing that labor power as an educated worker includes *all* the working time of state teachers, but only a portion of it is paid.

They paid only a portion of the value of that labor power, and the commodity is available to capital without having to pay the remainder. How does the capitalist generally dispose of that labor power? It seems they don't have to pay anything for it, because since the worker didn't have to pay for their education, there's nothing to reimburse them for. Since the state had to pay for the value of labor power, it had to get the money from somewhere: from taxes. And let's assume that these taxes were paid by the capitalists (this is an ideal world, right?), a sum that doesn't appear in their capital but rather as something they've spent. If the state had neither a surplus nor a deficit, it's because the taxes it collected corresponded to the value of the labor power it used.

Now the capitalist has at his disposal a workforce that, from an educational standpoint, only cost him its value, but possesses a use value that is the product of a larger amount of socially necessary abstract labor. Therefore, this unpaid portion of labor was not contributed by the worker employed by the capitalist, because the worker performs the same amount of work whether educated by the state or privately. The value of the labor power of both workers contains the same substance of value, but the *price* of the labor power of the worker in private education must include the full value of the labor materialized by the worker in public education. The price of the labor power of the worker in public education only includes a portion of the value; the other portion is missing: the surplus labor produced by the workers in public education. When this labor power of the educated worker is put to use, the surplus labor time is greater not because the value of that labor power is lower, but because the price of that labor power is below its value. In this movement, one has to distinguish the value and what will appear, not even as a price, but as what it costs the capitalist to have that labor power available.

When education is public and produces a relatively universal workforce, private education has no place because that worker must be paid more than a worker from the public system to cover the full cost of their education. When there is a situation—and this also applies to public services—in which a strong differentiation in the conditions for selling labor power is imposed, then the way to

differentiate is: if the worker is going to do this job, the full cost of their education is included in the value of their labor power, and if they are going to do that other job… Or if that worker is not needed, they don't have to pay taxes to the state for their education, they don't receive an education, and public education disappears. But we still have a long way to go before reaching these conclusions.

Since we have asserted ourselves as productive workers when we intervene in education… I always say: consciousness is the way in which each person governs their individual action as an organ of the social metabolism process; no one can produce consciousness in another, but it is clear that the function of teaching is to operate within the process in which other individuals (the students, the subjects of that process) produce their consciousness. These individuals will consume products of social labor (we have already seen the dual nature of labor and consumption—individual and social), and that consciousness is a condition for having labor power available for sale. So, well, it has been a demand for teachers in general, and those in public education in particular, because others are seen as producing surplus value… But insofar as one operates within the process in which future productive workers produce themselves—one should elaborate on that last point I raised earlier—there is indeed a production of surplus value. If workers are produced who will be unproductive, there is an economy of surplus value for the total capital of society through the work of teachers (paid or unpaid).

Next Wednesday we'll fully kick off the chapter on cooperation, and I would suggest we move beyond that, on the division of labor in manufacturing.

Chapter XI. Cooperation.

We've already seen what relative surplus value is. We saw the concrete way in which the acquisition of extraordinary surplus value presents itself to individual capitalists (by selling below social value and above individual value), and how this is the movement imposed on all capitalists as a condition for competition. It is the bearer of the generalized increase in labor productivity insofar as this increase is reflected in the decrease in the value of the workers' means of subsistence (the value of labor power decreases and the rate of surplus value increases), which is relative surplus value. And what Marx was proposing in the last thing we saw was that we were going to confront the ways in which the increase in labor productivity is achieved, governed by the production of relative surplus value, as if the immediate goal of the capitalist were the production of relative surplus value.

We had also established that the starting point is the worker we examined in the section on absolute surplus value, who is, in turn, the old commodity producer, only now lacking private ownership of the means of production. It is from the material reality of this worker that we will explore the ways in which labor productivity can increase and, consequently, the rate of surplus value. And the first form that emerges is cooperation. Because when we looked at the commodity producer, it was an individual who could not cooperate with anyone: they possessed the attributes of a free individual, but could only work in isolation. When we move on to the worker of absolute surplus value, this remained underlying when we examined their labor process. Therefore, cooperation is the step that leads to the development of the productive forces of labor, to its productivity, starting from the individual who previously worked in isolation.

The first material form that cooperation will take is that those individuals who until now worked in isolation will now work together in the same place and at the same time. This will be the first step in the transformation of the materiality of labor. Marx will not, at this point, define the worker in simple cooperation as a *collective worker,* but what emerges is a group of individuals who, in its simplest form, each do the same thing they would have done in isolation, but now doing it with other individuals who are doing exactly the same thing, but as individual members of a collective process.

A second step appears in the social character of labor, or in the socialization of that individual labor (the first being that this work was now performed under the direction of the capitalist). A productive force of labor will emerge that is not (to put it simply) the sum of individual productive forces, but rather, these productive forces, when realized in a collective process, acquire the character of social productive forces, and are consequently multiplied. And the forms through which the social character of this labor, and therefore its productivity, develops appear: reciprocal learning, processes of emulation, and the mutual reinforcement of the social character of labor.

How does the social character of this individual labor become evident once it is materialized in its product? Each worker may have spent more or less time depending on their skill level… Because we must consider that the worker we are

looking at performs essentially manual labor, where the worker's subjectivity immediately influences the productive capacities they will employ; if the worker is more skilled, they will spend more time, and so on. And so, each unit of commodities will be produced with a certain amount of individual labor time. But to the extent that this worker in the cooperative acquires a certain reach (and the development of this worker's reach is the basis for increased productivity through cooperation), the product of their labor, when it enters circulation, will have the character of being the product of average social labor. Because it will be the average of the individual jobs performed within the cooperative workshop. And then it begins to become clear, in contrast to the commodity producer we had at the beginning, where socially necessary labor was manifested in circulation as the sum of the different individual labor times that *only then converged,* here the product enters circulation already as a materialization of abstract labor done under normal conditions (although it has to prove that it is socially necessary). So, we have these initial determinations that contribute to the development of labor productivity through cooperation.

The fact that labor takes on this social character within the private unit of individual capital is based on the use of means of production that also acquire a social character even before production begins. The immediate example of this is the workshop, the building where work takes place. And here a twofold issue arises. The workshop must be large enough to accommodate this group of workers. Before this collective workforce is formed, the workshop must have the capacity for collective labor, and the capitalist must have sufficient capital to provide these workers with the tools and raw materials they need for individual use within this collective process.

The objective working conditions determine its collective character, already highlighting that the work will be done with this social character. And then a determination will arise that doesn't pertain to increased labor productivity, but rather to the capitalist's constant capital. And a phenomenon will appear: economy in the use of constant capital, the savings that this social character of labor represents for the capitalist within their individual capital. If we look at the valorization process as such, it has nothing to do with it, but insofar as it reduces the mass of capital the capitalist has at their disposal, and insofar as that constant capital transfers its value to the commodity, its value appears diminished.

Let's take, for example, the workshop, and a worker trained in simple cooperation, comprised of 10 individual workers. If that capitalist were to maintain the work of his workers in a fully individual manner, he would have to have 10 workshops. Now, instead, he has a single workshop in which the 10 workers work. What it costs to build the workshop for 10 is much less than what it costs to build 10 workshops. So, when one looks at what happened to the value of the commodity—let's assume there are 10 shoemakers—in the value of each pair of shoes is the living labor that was expended, the labor put into the means of production (raw materials, tools, and the workshop). [… [161]]

[161]The recording cuts off.

We were looking at how the value of constant capital reappears. [...] Let's assume that each individual workshop is worth $100, and that you would need $1,000 in capital to make 10 individual workshops, and that the workshop for 10 workers together is worth $500. Let's assume that the workshop is capable of producing 100 units. While production is done entirely individually, in each unit of that commodity there is $1 in value, which is the value of the constant capital reappearing in its product. Now we have $500 in constant capital that is used to make 1,000 units. In each unit, $0.50 reappears as constant capital that transferred its value. The commodity produced within the workshop has become cheaper, and if it enters into the consumption of the workers to have labor power, the result is that labor power has become cheaper, not because labor productivity has increased, but because of this economy in the use of that constant capital.

What does Marx do about this? If we're looking at how increased labor productivity raises the rate of surplus value, this is a different determination, not a movement inherent to variable capital. So, even though it's present, Marx leaves it out because it's extraneous to the central issue we're examining, and he returns to the topic of the economy of use of constant capital in the first chapters of Volume 3. When one looks at it from the formal perspective of capital valorization, where there's no distinction between constant and variable capital, but rather the relationship between surplus value and total capital (the rate of profit), this economy of use of constant capital will also be reflected in an increase in the rate of profit.

This enhancement of the productive power of individual labor appears as a force with a social character, a mass force. If this increase in productivity, through the mere multiplication of individual workers all performing the same task, already implies the need to increase variable capital, constant capital itself will have to multiply, and consequently, there is a process of concentration of these means of production as the property of each capitalist. To be a capitalist, one must possess this multiplied mass of capital; it is not simply that having money allows one to act as a capitalist, but rather having money on the scale necessary to put into operation this average labor, which is determined to be performed collectively.

[Alejandro mentions that there would also be savings in having all the necessary tools in a single workshop and sharing them]

JIC: There's a limitation to sharing tools here, because since everyone is doing the same thing at the same time, tool use can become highly individual. If everyone takes the same amount of time, starts the work at the same time, and everyone needs the same tool at the same time, then you constantly see the dual nature of the capitalist production process unfolding.

It is a process of material production governed by the production of surplus value. A personification of the one who organizes the labor appears in the figure of the capitalist, to whom the means of production belong. Here, the need to organize this collective labor arises, although it is still extremely rudimentary, and the existence of a production plan and the capitalist's authority, independent of the workers' will, governing their work, will appear for the first time in the unfolding

of this theory. Marx will make an initial reference to the size of this collective worker. The coordination of their labor becomes more complex, and the figure of an individual who is a seller of labor power *but* who acts within this production unit on behalf of the capitalist will appear (it is merely mentioned): the foreman. Once we have completed Marx's analysis, beyond *Capital,* we will examine what this subject implies.

I forgot one thing in the economics of the use of constant capital: it now appears as if the capacity of capital to valorize itself arises not only from the increase in labor productivity, but from a process completely independent of the labor process itself. And this is the first step in how the source of capital valorization is erased. The individual capitalist who introduces this social labor process when all other capitalists have one workshop per worker, and this one now has 1 to 10, will have extraordinary surplus value; the individual value of their commodities will fall below the social value because they economized on constant capital. And it appears as if there are two sources of capital valorization: the decrease in the amount of living labor embodied in each unit of product, and on the other hand, it seems to arise from the capitalist's decision to create a unified workshop.

When Marx unfolds the forms of cooperation starting from this first, simplest form, where each worker does the same as the others and produces a complete unit of commodity, a process of simple cooperation appears where everyone does the same thing but each of them does not operate on the body of an independent commodity that they produce in its entirety, and consequently it is the materialization of an average social labor not in its individuality but the average of the whole […] [162], in its materiality.

It is no longer so because each individual is materially the product of individual labor, and since it is produced en masse, it appears as the product of average labor: now it is the product of collectively done labor that combines the labor power of a group of individuals with the capacity to perform average social labor, and each unit is now a product of this average social labor. This is what will appear as the developed form of cooperation. Marx takes the example of construction workers who have to move bricks from one place to another instead of each one carrying a single brick. In the chapter, Marx mocks an author who says that with three workers, average social labor is already present because one is below average, one above average, and one in the middle. But when the mass grows and becomes a mass labor power, that is where this character of average social labor emerges.

This development leads us to the limits of cooperation as a modality governed by the production of relative surplus value to multiply labor productivity. The process of emulation, learning, and mutual stimulation that constitutes a social labor force... reaches a point where the very expansion of this collective body ceases to have an effect on increasing labor productivity. What it reveals, within its scope, is that if we begin with the full extent of private labor, where no direct cooperation between producers was possible, and when we look at the capitalist and the worker we see progress in the socialization of private labor, but we never

[162]Cut in the recording.

stop to examine materially what the worker was doing from the perspective of how the socialization of that private labor was progressing, now what we have before us is that in the capitalist mode of production, to produce capitalistly, private labor *must have Within it lies* the character of social work, even if only in the form of cooperation in its simplest form: capitalist production is impossible without collective work.

If we were to make a logical representation, we would say that it can't be: the simple model of the commodity producer is invalid because the concrete model that leads us to cooperation states that commodities can only be produced by working collectively. And what we have is that, starting from the purity of social labor done privately and independently, what we are witnessing is the process of socialization of that private labor. When we look at this socialization of private labor, the opposite of what we had at the beginning, we encounter this contradictory manifestation. At the same time that we are seeing the development of the productive forces of social labor, since these social productive forces belong to capital (they are productive forces of capital), what we find is that their development takes the historically specific form of the development of the capitalist process of production. And Marx will point out that cooperation is the first change that the effective labor process undergoes when it is absorbed [163]by capital.

One has a dual movement: this is the process of development of a general historical necessity for the transformation of labor into a social process, starting from the purely individual labor process of the commodity producer, and at the same time it is the process of capital valorization, and it is the form that capital uses to exploit this social labor by multiplying the production of surplus value through the intensification of labor productivity. Throughout Volumes 1, 2, and 3, Marx will highlight this dual character and the contradiction inherent in the process of development of the human productive forces, and therefore the development of the generic human being—this capacity to consciously and voluntarily produce itself from one generation to the next through labor, but in an *alienated form.* Thus, the powers are subject to alienation; they are not simply powers of the development of labor cooperation, but of *labor itself. alienated.*

[Alejandro asks about the reason for this reversal he sees in the text, where cooperation appears as not specific to the capitalist mode of production and then as the peculiar historical form that distinguishes this mode of production from the others].

Perhaps I'm repeating myself... I'm trying to approach this more from a "methodological" perspective. Commodities exist in other modes of production; they're not exclusive to the capitalist mode of production. But we want to answer questions about our own condition as political and historical subjects. What we need to answer isn't the historical genesis of the commodity, but what it is. Since we encounter the commodity by questioning our subjectivity, "within it," we try to

[163]It seems that this is “subsumption”, which means “to incorporate”, to absorb within a body as its organ (not to “subordinate”, nor to “dominate” externally).

answer what the commodity is in *the capitalist mode of production.* And what is specific to the commodity, what constitutes its essence, is that it is the product of social labor performed privately and independently. Therein lies the crux of the matter.

What was the first thing we noticed? The purity of social labor done privately, which appeared as an absolutely individual endeavor, as our starting point. Once we discovered that, external comparisons emerged, a contrast, first with other ways of organizing labor: here it's not organized that way; the producer doesn't have to produce their social relationship because they already have it before producing. So, the way this labor is governed is different. When historical development appears, it's simply because it's something that, when viewed in the present of commodity production, cannot be answered, and one has no choice but to proceed, but already knowing the outcome of that historical development.

As the movement of this social relation unfolds in circulation (money as a medium of circulation, treasure, and means of payment), it becomes evident that the immediate aim of social production is not the production of use values for human life, but rather the production of the social relation itself. And the next step is the production of the social relation by the social relation itself: the movement of money as capital. So, we are progressing in this direction: now the concrete and immediate aim with which social labor is set in motion is the multiplication of capital, which means that all the powers of social labor done privately will be governed as powers of capital; they are, so to speak, powers of alienated labor. This means that the movement of the materiality of labor is not… I'm going to say something that's rather risky and I'll probably regret it, but one cannot explain what happens to the materiality of labor by the movement of the materiality of labor itself, but rather it must be explained *because this process is organized as a process of capital accumulation.*

I'm missing something in the middle, but I'm getting to the point about cooperation. Marx doesn't start by comparing cooperation in previous social forms. Once he's developed the cooperation specific to the capitalist mode of production, he compares it with the others and says: the purpose of this cooperation isn't the same. Here, the governing purpose is to maximize the valorization of capital. If that's at the expense of the worker, the direct producer, well, at the expense of the worker. So, now a comparison can be made, once one has developed what is specific to this form. But when you look at what is specific, this determination appears with respect to…

When Marx says that this is the first step in the development of the properly capitalist character of labor, up to this point what appeared to be (I don't want to get ahead of myself because it comes next, but…) was that here we have a worker and a labor process whose materiality is rooted in the purity of private labor. That is not labor in the capitalist mode of production. Labor in the capitalist mode of production is social labor within the framework of individual capital. And it is not governed by the abstract goal of enhancing the productivity of labor in society, but rather by multiplying the valorization of capital. But from here on, we know that when we look at labor in the capitalist mode of production, it is collective labor,

never performed individually. Then the question arises again of to what extent this unfolding we are describing corresponds to a historical development, and to what extent it is the unfolding of this simplest form of social labor performed privately and independently, and how it unfolds its potential. Because cooperation is a potential of free and individual labor.

I know I tend to put it this way… It's not a logical development at all, there's no logic here: what's being said is that this has potential, how does it unfold? In this way. How is labor productivity increased (at first it seemed to be a matter of human labor in general, now it's about this way of organizing it)? By doing it socially. And so I tend to focus on that aspect and downplay whether or not it's a historical sequence. Marx develops it and strongly presents it as a historical sequence. Every now and then he mentions again that this comes first, and then this capacity develops, and we'll see it in the two subsequent forms of relative surplus value: he'll talk about the *period* of manufacturing and the *period* of large-scale industry, as separate historical periods. And in the exhibition of manufacturing, it reaches a point where, just as in the one about cooperation, a more powerful form of cooperation emerges, based on each person performing a partial task… But if the artisan at the beginning, who made a complete pair of *Zs,* can only make that transition when I observe a worker who all does the same thing but does it on the same body of commodities. Then, this development appears, sprouting from the previous, simpler form, and there is much reference to the historical character of that development.

And I'll return to something I raised not long ago: there's a whole line of thought within Marxism linked to the "New Reading" of Marx—and increasingly degraded aspects of the idea that supply and demand determine the value of commodities—that categorically maintains that Marx never said that the mere production of commodities was the historical origin of the capitalist mode of production. And Marx says this explicitly in the draft published as Volume 3, and he says it several times throughout the text. One of the ways he says this is by contrasting it with other forms, highlighting what is specific to this transformation, which doesn't arise solely in the capitalist mode of production, but rather, as one examines it, also in earlier modes of production. Therefore, nothing will be explained solely by historical development. I tend to focus more on the development of an existence with a potential to be realized, and on the realization of that potential. In the text, this is much more closely intertwined with the exposition of these historical forms.

[Tomás asks if there might not be two "demystified" Hegelian laws here: the law of quantitative to qualitative and a teleology.]

I would say there's no teleology here: there's a movement that one is accompanying in its development; it's a pure description made "with the eyes of thought," which is how one sees this. I don't know where this will lead me; I'm questioning my subjectivity, and my only aim is to answer those questions in order to organize my actions, to understand the necessity of my actions, and what potentialities I possess.

Regarding the transformation of quantity into quality… I would put it this way: this transformation is the outward manifestation of quality. Because what enhances the productive power of labor is what human beings are, not "quantity." Quantity reveals the potential in human beings to act collectively, a potential that is revealed because the form of work organization dissolves community: there is no community, only isolated individuals who gradually join together. So, it seems that the change in the number of isolated individuals is the cause of this new quality. And this quality, which does manifest itself based on a certain quantitative determination, can be manipulated by working with that quantitative determination: I only know that if I have 1 worker and increase that to 5 or 10, it can have more power (if I increase it to 2000, perhaps not), without knowing why. In fact, this is how logical representation operates: by transforming quantitative differences into qualitative differences. But the power of qualitative transformation does not spring from quantitative difference, it is the other way around: it becomes evident from a certain magnitude.

Nor is it a problem of transforming quantity into quality. In *Anti-Dühring,* Engels elaborates on this, and when he gets to the end of the chapter (the whole book is written with a great deal of irony), Dühring accuses Marx of being misled by this "law" of the transformation of quantity into quality. I don't remember exactly, but Engels says: "Dühring is right." And he quotes Napoleon saying that one French soldier against one North African Mamluk, the Mamluk defeats him. That two Frenchmen equal one Mamluk. And that—I don't remember, but let's say—ten French soldiers inevitably defeat twenty Mamluks. And Engels says: what does this prove? Because he was misled by the transformation of quantity into quality, Napoleon was defeated at Waterloo [Laughter].

Anti-Dühring is worth reading. I'm going to clarify something my daughter pointed out: one person's experience isn't necessarily relevant to others, because everyone carries their own needs. For me, it was an extremely important book in my personal development, besides which I found it entertaining. So, let's leave the problems of quantity and teleology aside, let's leave that to Hegel… Another thing is that I knew a lot of mathematics: I found *Anti-Dühring very stimulating* because I was looking for the problem of method due to a series of circumstances related to how my studies had progressed, and from there I read *Materialism and Empirio-criticism* and Lenin's so-called "Philosophical Notebooks," and from there I read Hegel's *Science of Logic,* which was another very important milestone in my development, and I found the mathematical part particularly appealing. Why is what you present as teleology foreign to me? I read it because of a problem of method, and all the other things that appeared were like… Well. I didn't read it thinking he was an idealist and therefore going to be biased, but rather: to see how this individual progresses, what his starting point is, what he's facing. And the chapter on mathematics was incredibly insightful. So, I'll leave aside this tribute to Hegel, Lenin, and Engels, and continue with our problem of the development of the productive forces of labor through cooperation governed by the production of relative surplus value.

I would like to add two points. There is an example that is immediately recognizable to all of us regarding cooperative processes, which is what happens with the structures of formal education. It is a cooperative process among the "students" as subjects of a collective task governed by a plan of someone who has the authority to direct it. But the potential of the social character of work only becomes apparent with a certain number of individuals participating in that process. There is an individual work process that each person is carrying out, but it acquires the character of social work when they intervene by cooperating with others. The economy in the use of constant capital is evident because it implies a lower expenditure of value, but also, from an abstract point of view of enhancing social work, having a classroom for a group and not a small classroom for each individual... And the limitation of the cooperative process becomes apparent. And it appears much more quickly than in the manual work process, where, beyond a certain number of students, the effect of collective work is lost and a whole series of negative effects begin, such as distraction, inability to hear what is being said, or to see what is being written on the board…

On the other hand, there is an aspect of cooperation in the capitalist mode of production that reveals its inherent contradictory and antagonistic nature. Cooperation allows workers to establish a sense of solidarity because they are working together, and at the same time, it intensifies their competition. Because of how they see each other, the less skilled, slower, or whatever the case may be, worker sees that, given the antagonistic relationship they have with the capitalist, the capitalist compares them to the other workers present and says: this one is useless. And they're going to be fired. And so, the worker, with their heightened sense of competition, tries not to be the worst, and this antagonistic relationship among workers is a source of surplus value for capital; it translates into increased labor productivity, greater labor intensity due to increased efficiency because there is no downtime.

Alejandro [Chat]: I wanted to write that Marx already stated on several occasions that for money to function as capital it must have a certain magnitude, and now it appears that it must concentrate a certain mass of workers. But, until now, has any determining factor emerged behind these magnitudes in each branch of production? This relates to what Tomás mentioned.

JIC: As with everything we're going to see regarding the development of the productive forces of labor governed by the production of relative surplus value, there are branches of production where the materiality of labor lends itself more to the development of this way of multiplying labor productivity, and others less so. It's a problem that stems from the materiality of labor. But I don't know if that's what you're referring to. There are branches where the enhancement of that productive force is greater, and it's also easier to group workers together. Cooperation in the artisanal manufacture of shoes is clearly work that requires a certain amount of learning and skill development, and there's no problem in increasing the number of workers. The work of extracting water from a well doesn't seem to lend itself to cooperation to the same degree. What can you do, have two or three workers drawing water from the same well? Dig one well next to another? It's not possible.

One of the classic sectors where cooperation in this sense is most limited is agricultural production, and I believe this also extends to mining. That's why the significant isolation of rural workers is so prevalent, because cooperation... It has to be considered in very basic and primitive terms of production organization, and moreover, in sectors where collective work isn't practiced. Normally, where agricultural production involves centralized irrigation, there are extensive processes of simple cooperation. But in livestock production, which consists of herding certain types of animals that a single individual can control, the isolation of these workers emerges. But, well, it's a matter of specific forms that go beyond what's presented here.

Chapter XII. Division of Labor and Manufacture.

1. Dual origin of manufacturing.[164]

I propose we look at the following development in a very basic way: the division of labor in manufacturing, which is actually the unfolding of cooperation. Everyone works together, but now instead of everyone doing the same job, each person performs a specific, partial task. Marx explains this openly, saying that what one sees in the division of labor in manufacturing is the same as what one sees in an individual worker who performs all the tasks necessary to produce a commodity: they perform a series of partial tasks that together constitute the labor necessary to produce this unit of use-value. And he emphasizes that here he is looking at manual labor, whose definition is linked to the fact that the tool is in the worker's hand, that the worker controls the tool, and that the arm produces the force that the tool applies to the object of labor. We are still looking at manual labor, and therefore, the worker's manual skill is what sustains the entire development of the production process.

But now, that ability which, in the workers we've seen so far, was the capacity to perform *all* the tasks necessary to produce a commodity, is now fragmented... [...] [165]. This work, where what matters is the handling of the tool, has now become the handling of the tool necessary to perform a partial task within this organism, and now the term "collective worker" will appear [166]. And what will begin to appear then is: that universe of capabilities that the worker of simple cooperation possessed, capable of performing all the tasks required to produce a given use-value, whether purely individual or working with others producing the same use-value together, is now reduced to a task that is absolutely limited, simplified. The more the movement of the worker's arm wielding the tool is simplified, the more each worker is divided and specialized in a partial task, and the more the productivity of this collective worker's labor is multiplied. And here something will appear that at the end of the chapter will highlight its role, and that is that the individual worker is becoming an automatic and limited organ of the entire collective operation.

Now the collective worker integrates differentiated individual workers, each specialized in an increasingly partial task (because it is the way to increase the productivity of labor through the division of labor in manufacturing), and what will appear—and Marx will assimilate it to machinery, because he speaks of the specific machinery of the manufacturing *period* (he emphasizes the historical process)—is the body of the collective worker, the set of these partial workers, each applied to a specific task.

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[164] I recommend not taking the chapter headings literally, as their presentation is relatively disorganized. Every effort has been made to align them with the content.

[165] The recording cuts out and then repeats.

[166] It is mentioned in section 3 of this chapter.

On this basis, we'll start the next session by looking at all the determining factors. I always organize the presentation of this by looking at what happens to the materiality of labor, what happens to the workers as a consequence, and what happens to the capitalist (although if I follow Marx, that doesn't quite fit yet; there are sometimes references, but not as the central focus of development), and what happens to the structure of capital and its magnitude. And finally, what are the limits of this way of increasing labor productivity, what barriers does it encounter? In simple cooperation [the way to increase it], everyone is doing the same thing; no one was specialized in a specific task, whereas here they are. So, we will always try to cover these aspects as the central focus of development. I know that in this part of the workshop I tend to rush because I start to get desperate, wanting to see if we can finish by the end of the year [167]. But if I rush too much, please let me know. And besides, this acceleration doesn't imply a decrease in interventions; on the contrary, because I focus more on the central themes, there can be more discussion.

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[167]It ended in June 2023.

2. The part-time worker and his tool.

We had said that we were going to look at what happens in the material aspects of labor, what happens to the worker, what happens to capital, as we examined the different ways of increasing labor productivity governed by the production of relative surplus value. And we were going to see the barrier that each one presented.

Regarding the cooperative process, where all workers performed the same task—there are no partial workers—we had seen how now everyone produces the same commodity, which represents a step beyond the scope of simple cooperation, which can only increase labor productivity by expanding its reach, and which, in that expansion, finds its own limit. And then we have manufacturing, where the various tasks that previously appeared to be performed by the same worker are now transformed into partial operations, and each worker is responsible for a partial task. We had noted that what we have here is manual labor, and that it depends on the worker's skill and dexterity how the tool is applied to the object of labor in order to transform its use value. Each worker is subject to an increasingly partial task.

Following this, I'm going to make a clarification (Marx will also address this elsewhere), because it appears here that the worker is bound for life to this partial task. And this brings us to two determining factors worth considering. Because this is the same image that came from the time of Ricardo and Smith. That the worker is bound for life to a task implies that the speed of change in the technical conditions of labor was much slower than what we are accustomed to seeing today. And another condition is that the duration of the worker's productive life was much shorter than it is today. Around 1820, the estimate in England was that life expectancy at birth was 30 years, and in 1835-36 there A new calculation extended life expectancy to 35 years, but for individuals over 10 years of age, life expectancy is 50 years, which speaks to the enormous burden of infant mortality. So when one sees this idea of being tied to a partial task for life, and one looks at it with today's perspective and it seems impossible to be tied to the same task under the same technical conditions, one has to consider this dual constraint.

Thus, the worker gradually becomes an automatic organ, functioning according to the limited operation he is to perform. Now we have a development that contrasts with the incipient collective worker of simple cooperation. What we have is a collective, total worker, a combined worker, with specialized organs, each one for a specific partial task, and each of these organs is a partial worker. And Marx draws this parallel, suggesting that the collective worker is the specific “machinery” of the manufacturing period [168], contrasting it with the later development of machinery proper.

[168]Reference in section 3, in Marx, K. (1977: 287), *Capital,* Volume 1. Mexico City: FCE.

3. The two fundamental forms of manufacturing: heterogeneous manufacturing and organic manufacturing.

What we have, then, is that the development of the division of labor differentiates workers according to the specific task they have to perform. Some tasks require a more developed skill, while others require no special skill at all—a partial specialization that consists of having no specialization whatsoever (laborers). And here it will appear to be a source of surplus value, but one that does not correspond to an increase in the productivity of that labor.

To the extent that workers who do not need specialization do not require any development of their labor power, we saw that the value of *a generation's labor power* includes the expenditure on commodities necessary for the next generation to develop its labor power until it is able to work. Here, we see that part of that development has disappeared. Previously, we had artisans who had to undergo a training process even within the work process itself (in manual labor, one can only learn by working) to develop the necessary skills to produce a complete commodity. Therefore, while they are working, they are learning, and their consumption is still part of the value of the previous generation's labor power, or they are not fully productive. And now, that consumption of use values has disappeared, and consequently, the value of these workers' labor power has decreased. And not because labor productivity increased, but because now part of the expenditure that the working-class family or individual worker had to make to produce future labor power or their labor power has disappeared; it no longer forms part of the socially necessary abstract labor expended in producing it. And we have an increase in the rate of surplus value thanks to this reduction in cost.

There's an example I used to mention (it's not so fresh in my mind now), it's not from the period Marx would later define as the age of manufacturing, but it represents a significant leap in the productivity of manual labor: the development of the manual assembly line. Studies illustrate this in the automotive industry. In car assembly—which evolved from the carriage assembly process—the collective workforce involved in that production consisted of a master craftsman and auxiliary workers with varying levels of skill. To become a master assembler, one had to spend years on the job, learning all the assembly tasks. When the manual assembly line was implemented at the Ford factory, a study immediately afterward showed that the percentages (I'm using an arbitrary estimate because I don't recall the exact proportions, but roughly) were around 80% of the workers who mastered their task after just one day: they had nothing left to learn. About 15% mastered it after a week. And there's 5% or less who need two or three months to master their task. What will become evident there is that the time the worker needs to develop their labor power, and therefore the consumption of use values necessary to develop those productive attributes, has disappeared. Consequently, the rate of surplus value will rise sharply.

4. Division of labor within manufacturing and division of labor within society.

When we look at the expression of the social character of labor in the simplest form of cooperation, where each worker produced a complete commodity separately from the others, this character was manifested externally to the production process, insofar as it resulted from the average of the working times required by the various individual workers. Now we will see that the material process of labor itself has the immediate character of a social process, and consequently, the product of that labor is materially the product of social labor; it arises in production, always within a general organization of labor where it is carried out privately and independently.

When we look at this development of the division of labor in manufacturing, we see that each specialized process is simplified, but at the same time, the number of these subtasks multiplies, and consequently, the size of the collective workforce increases. Within this collective workforce, the question arises of determining proportionality among the various subtasks. Not only does the size of the collective workforce grow, but this size must also maintain proportionality according to the time required for each subtask. We have not simply an extension of the worker, nor simply a multiplication of individual subtasks within the worker, but rather this multiplication must adhere to certain rules of quantitative proportionality. We will have a direct allocation of collective labor within the workshop, which will be reflected in the character of the commodity as a product of directly social labor. And here we will see a contrast between what happens outside the production process, where the private nature of labor prevails, and what happens inside the workshop, where a direct organization of labor, performed in an immediately social manner, prevails. He will make the observation that the part-time worker does not produce a complete commodity; the commodity is a product of this social labor.

To carry out this production process with this social character, a concentration of the means of production as the property of a single capitalist is required. And here we have the contrast, and once again the difference between the method of logical representation and the development we are undertaking becomes visible. Because now we see that a producer of commodities is the complete opposite of what we had at the beginning: not an isolated individual, but a collective worker; they do not have full control over their work process as a collective individual, because the capitalist does; and they are not the private owner of their means of production, which are now means of production that serve only for collective labor. And so we will find this transformation, which we can only discover— that in reality, in the capitalist mode of production, commodities are products of collective labor—having started from the premise that they were products of strictly individual labor.

Internally, the organization of this collective work process is direct; externally, it is indirect. Therefore, the unity and the allocation of different masses of labor to the production of different commodities remain governed by this indirect unity. Unity only emerges a posteriori; within the workshop, it arises a priori. There is an

authority that organizes labor, personified by the capitalist, in contrast to what occurs in the general social relationship, where no commodity owner has authority over others and competition prevails. Marx will observe this contrast and how it presents itself to bourgeois consciousness, and how those who defend the factory system, this planned organization of production, and the social character of labor are the first to express outrage, claiming it violates the rights of private property and freedom, when a general conscious organization is proposed—not within each production unit, but with an immediately social character—and they denounce the idea that, on this basis, the entire society would be transformed into a factory [169].

[Tomás asks who said this last part]

JIC: Marx doesn't name names there (that I recall), but he says that those who defend factory organization [...] on the one hand celebrate that things are like that inside the factory, but on the other hand consider it an aberration with respect to the general organization of social life, an attack on private property and freedom. Because a universal common organization of social labor implies social ownership of the means of production, because otherwise there is no unity. So this appears to them.

Tomás: What if we go after this worker who coerces the other workers? I don't remember if it was here or later where the capitalist is exposed; now it's unnecessary.

JIC: It begins in the chapter on cooperation, and it will expand upon it here. But there's one thing to keep in mind, which I will follow very strictly, and then we'll revisit it. The figure Marx uses for a seller of labor power who exerts control over other workers is that of the foreman, and he doesn't go beyond that in this development. When he posits that there is a hierarchy of workers with greater specialization, that greater specialization doesn't extend beyond manual labor. We'll proceed with the development, giving it the full scope that Marx attributes to it, and then we'll revisit it and see if that scope remains the same today.

It's important to note that for Marx, throughout *Capital (*and only in Volume 3 do references to management by sellers of labor power appear), the figure of the capitalist is the one present in the organization of labor within individual capital. In Volume 3, some aspects emerge, stating that this function can actually be fulfilled by an employee, and another point that appears is that there are forms of capital where the function of ownership is *separate,* but the function remains in the hands of the capitalist. He differentiates between the capitalist who owns the capital and the capitalist who performs the function.

[169]"And it is characteristic that these enthusiastic apologists for the factory system, when they want to make a strong accusation against what would be a general organization of work based on the whole of society, say that it would turn the whole of society into a factory." (p. 290).

5. Capitalist character of manufacturing.

Since labor productivity increases with the fragmentation of tasks, the number of workers and means of production multiply, and therefore so does the amount of capital that each capitalist must concentrate to operate. This suggests that the transformation of the means of subsistence and the means of production into capital is spreading throughout society. And here, two issues will arise (not necessarily in this order):

1) This division of labor already generates and sustains such productivity of the collective worker's labor that it eliminates the possibility of competition for the private producer of commodities. In the capitalist mode of production, we now see that, by its very development, there is no place for independent producers of commodities.

2) To be a capitalist, one must possess an ever-increasing mass of capital. One must purchase the labor power of more workers and provide them with more means of production. But now, with respect to constant capital, a contradictory movement arises regarding the potential for capital to valorize itself—not variable capital, but capital as a whole. As the number of workers increases (and labor productivity increases), the quantity of raw materials with which this collective workforce must be supplied also increases.

If we had a worker who, in isolation, processed 1 unit of raw material per day, we needed the constant capital necessary to purchase that unit and the variable capital to pay for the value of that worker's labor power. Let's assume that the collective workforce in this division of manual labor consists of 10 part-time workers, and that this increase from 1 to 10 has allowed the productivity of those 10 workers to double. When we look at what happens to the constant capital invested in raw materials, we see that the units of raw materials must be multiplied by 10, but since their productivity doubled, they must be provided with 20 units per day. And that means that while the variable capital multiplied from 1 to 10, the constant capital multiplied from 1 to 20. And constant capital is not capable of valorizing itself.

We encounter this contradictory movement in that, for the productivity of living labor to increase, and consequently the rate of surplus value to rise, constant capital—which is incapable of producing surplus value—invested in raw materials must grow more than proportionally to the growth of variable capital. If we consider a total capital that remains constant (in terms of its magnitude), this implies that if we now compare variable capital with constant capital invested in raw materials (disregarding tools and other inputs), we will find that a relatively smaller portion of that capital is capable of producing surplus value; it produces it at a higher rate, but its proportion relative to the capital advanced and applied to this production is smaller. Marx develops this concept with the division of labor in manufacturing, but it could already be observed in simple cooperation, only there

the increases in labor productivity are much more limited. We encounter this; it is a contradiction that remains unresolved.

We had this progressive transformation of the entire means of production and the means of subsistence into capital. What happened to the materiality of labor, and what happens to the worker with this transformation?

Regarding the materiality of labor, capital in the production process exists in the form of the physical individuality of the workers. It is a production structure made up of partial, fragmented workers, and it belongs to the capitalist because he purchased the labor power of this group of workers. Consequently, all the productive power that this process of combining partial labor demonstrates appears as the productive power of capital. Capital owns the conditions of production, both material and human; this is the life process of capital, and the potential for multiplying productivity appears as if it were an inherent attribute of it.

He then draws a contrast between simple cooperation, where individual work remained unchanged by the development of cooperation, and the division of labor in manufacturing, where the materiality of labor is revolutionized. Each worker no longer produces a complete commodity and must specialize in a partial task at the expense of destroying any other individual productive potential they might possess. He argues that, in addition to distributing labor among different individuals, this process fragments the individual. This individual can only function as an individual organ within an "automatic apparatus" into which they are incorporated as a partial organ. From this will follow a new determination of why the worker has no other commodity to sell than their labor power. They can no longer produce a commodity on their own, not only because they lack the means of production, but also because they no longer know how to produce a complete commodity independently. They can only work as a partial organ within a collective worker, formed within the capitalist's workshop. Then, this synthesis will appear saying: now (I put the figure that Marx puts) “the forehead of the worker” of the manufacture has stamped the mark of his owner, capital.

When we examined the four apparent forms of the buying and selling of labor power in circulation, it appeared that freedom prevailed because it was a relationship between two free individuals. And now, what emerges in the development of the production process is that one of these free individuals has an owner, who is not the capitalist: the owner is capital. As we continue, in the chapters on reproduction, we will see the full development of this determination, but even here, the content, the substance hidden within the appearance of the relationship between two free individuals, is already becoming apparent.

Then, he goes on to develop how this idea that the productive powers of this collective worker are a force of capital, that unity is based on capital, suggesting that, in contrast, even... He says: the independent laborer, the artisan, the peasant who develop their limited capacities because they work in isolation, individually, are no longer an attribute of each member of the collective worker. Now it is enough that this capacity be present in some member of the collective worker and

be put into operation, even if there is a part of that collective worker that is deprived of any development of these attributes. And this collective capacity confronts individual workers as an attribute of capital, which has the capacity to organize this process.

Marx will point out that this begins with simple cooperation, where the capacity to decide what is produced, how, and how much is no longer an attribute of the worker, but rather develops as follows: *all* collective productive force *is the force of capital.* And the capacity to set production in motion is the force of capital. He will make an observation that is ahead of its time because it will reach its full potential in large-scale industry, and he will posit science as separate from labor as an independent power of production, placed at the service of capital. In the division of labor in manufacturing, he will argue that the social productive force of the collective worker develops at the expense of the mutilation of individual productive forces.

[Tomás asks about the historical period in which this worker develops]

When Marx speaks of a historical period, he places, if I remember correctly, the period of manufacturing throughout the 18th century or slightly before, supposedly ending with the Industrial Revolution. But if you look at its concrete development, there's a revolution in the production process where machinery absolutely reigns supreme, originating from the manual assembly line, a division of manual labor: each worker wields their own tool. A point will be reached where these tools will have become hand-operated machine tools. Later, this will change and become fully developed machinery with the advent of robotization. But if we say: manufacturing played a role in a historical era… It had a revolutionary role at the beginning of the 20th century, and it wasn't until the end that it began to be displaced. But it was revolutionary during the height of the era of Large-Scale Industry and the development of machinery. And in this exhibition the development of a historical character appears, because when he compares it with the peasant or the artisan, those come from another society, not simply from the capitalist mode of production, and then he will make a reference to that condition.

[…] I'm going to do something I shouldn't, but… We're talking about something that in Volume 2 (also in the penultimate chapter of Volume 1) Marx refers to as "industrial capital." And when he gets to that point, he says that it's not the first historical form of capital: its first historical forms are usurious capital and commercial capital, and from their development industrial capital is born, and the situation reverses, and now commercial capital, and what is no longer usurious capital, but capital lent at interest, become forms of the movement of industrial capital.

When we look at primitive accumulation, we see that merchant and usurious capital arrived in America in 1492. This capital was not the social relation governing the unity of production and social consumption *in the society from which it came:* in that society, unity was still governed by bonds of personal dependence, of which merchant and usurious capital were concrete forms, organs. And in the development of the movement of this capital, the situation was reversed,

and the bonds of personal dependence (characteristic of the feudal relation) became forms of the capitalist mode of production. The subsistence of constitutional monarchies… They were no longer what gave unity to the process of social life within that national space: they were merely a form that carried that unity.

One can speak of the capitalist mode of production when looking at its *full development* (which is still developing today), and through the actions or omissions of capital, everything on Earth is a product of this social relation. Even human populations, which appear not to be products of this social relation, are. Looking at this, one might say: it is not its full development because the capitalist mode of production is moving, advancing in the development of its full development (we have already seen that it is revolutionary). Looking at the 19th century, it is clearly the capitalist mode of production that is advancing in establishing unity: the conquest of India by England occurred in the mid-19th century; until that point, there was no capitalist mode of production. The conquest of China and Japan is from roughly the same period.

So, this happens: in Argentina in particular—because it's what I know best, but I understand it's the same throughout Latin America—at a certain point, a political debate arises within organizations that identify as the political expression of the working class regarding the prevailing mode of production in Latin America. The discussion begins about whether it's the capitalist mode of production, whether it was during the colonial era, in the 19th or 20th centuries, or whether it's the feudal mode of production… And this debate has the political significance that there's a whole line of political organization that argues that for a national society to enter the capitalist mode of production, there has to be a bourgeois-democratic revolution. But since these revolutions didn't happen in Argentina, or they were thwarted, then there would be a feudal society, and consequently (I'm going to jump ahead a bit), the working class wouldn't yet be developed. This ranges from positions that the working class can't have a political party because it's not developed, because it's a feudal society, to positions that the working class isn't developed but can only be the revolutionary subject. So, they say that now a democratic revolution must be carried out, and that an alliance with the national bourgeoisie is necessary. And then comes the debate about whether this revolution should be led by the national bourgeoisie or the working class.

This is a discussion that dates back to the 1930s and continues to this day, although it's practically irrelevant now. But until the 1980s, the problem of alliances with the bourgeoisie was still relevant in political organizations. Today, some people put it into practice and have no doubts [Laughter], but this was the position of the Communist Party since 1930, since they began [communicating?] the position of the Soviet Union, of the popular fronts…

[Tom mentions the prevalence of agricultural production at the time.] Yes, that was linked to the fact that agricultural production was seen as feudal; capitalists were always confused with landowners. They have a relationship of personal dependence with the workers, something that was very prevalent in Latin America because the concrete forms involved… a lot of personal subordination.

So, the discussion of modes of production in Latin America is an abstract one. What one must look at when examining historical development is the concrete forms this process takes in its organization. And this process of conquest and the development of production, the organization inherent in the conquest that follows, is driven by commercial and usurious capital, not by feudal lords. We all know the fables surrounding Columbus's motives: he was a representative of commercial capital, seeking to reach the East to trade. The peculiarity is that what he finds in America is a use value that, for the indigenous American societies, had symbolic value, while for commercial and usurious capital, that is money for the world market. And what they do is appropriate everything they can, and then they put that indigenous population, which also came from societies of personal dependency, to work producing gold and silver, and the commodities necessary to sustain this. It is not an abstract capitalist mode of production, but it is *one of the ways* in which the capitalist mode of production develops. And one of the clearest aspects is this: as money is produced for the world market, the wage system quickly emerges, even for workers bound by personal dependence.

So, if I had to look at it that way, I could say that the capitalist mode of production arrived in America in 1492, and that would be a complete abstraction. The incipient forms of its development arrived, but they weren't yet what gave unity to the process of social metabolism, which was still based on bonds of personal dependence. Even in silver production, what governed were relations of personal dependence, put to work for the production of money for the world market. And one has to keep unfolding this movement. And one can't date that. When does the capitalist mode of production reach its full potential? It emerges from that movement. It's almost like when one considers the external reality of when one becomes an adult: nothing, it's an individual who is constantly transforming. From a certain point, one can say that one has developed these and other attributes, but while developing, one both is and isn't.

Tomás: While gold and silver were arriving in Europe, with the inflation that existed, tenant farmers were taking a significant percentage of capital from the feudal lords, and that's where capitalism developed a bit more in Europe. Is that a more concrete analysis?

JIC: That would be a more detailed analysis… I know about Europe more or less what one learns about history in general.

Tomás: I remember seeing this in relation to primitive accumulation.

JIC: Afterwards, historians argue a lot about whether this is a more general phenomenon or not. But now I'm going to address the other part of what you raised: [capital] is a subject, a social relation, a way of organizing the human life process, which means how each member of society is assigned what useful labor they will do, how they will apply their general capacity to work in its specific useful form, and consequently, what product of social labor they will consume. It is a social relation that takes the form of no personal bond. It has an objectified existence, separate from individuals, and it determines the consciousness and will

of individuals. When one looks at capital, it is a body that has to be spent and materially transformed, taking objects from its environment into which it must be transformed, consuming those objects productively, and producing itself multiplied. That is what a subject does, and that is what Marx refers to when he says that capital is as if it had a soul in its body. And then he repeatedly uses the term "subject," because it is a way of organizing life that does what is proper to a living subject.

The organization of human life does not have as its immediate purpose the production of human life, but rather the multiplied production of this objectified social relation. The subject is always human beings; it is the process of human life, but what immediately governs the life of that subject is not the reproduction of human life: it is as if the immediate purpose for which it is set in motion has been displaced onto another subject. Since it is a social relation, devoid of any personal attribute, and has an objectified existence separate from individuals, it needs to extend itself as far as possible. And that is why the capitalist mode of production does not originate as a universal unity, but ends up generating itself as a universal unity, because there is no personal barrier that can limit its potential. That is why one posits it as a subject, and what one has before oneself is not simply a figure: it is a way of operating of a social relation. What we as people do is respond to this way of organizing social life, and that is why we are personifications of capital.

It's awful, but it's better to recognize oneself for what one is, and not delude oneself into thinking one is something one is not, something that responds to the "negative" needs, so to speak, of that objectified subject that is capital, because it is a need of that object—at least historically at this point—not to recognize itself in this determination as a personification. Capitalists… and landowners even worse, call themselves "the countryside," which is to recognize themselves as the personification of a thing. But from the point of view of the political action of the working class, not recognizing oneself as a personification and believing oneself to be a free individual by nature is a mutilation of the power one has as a political and historical subject.

What will emerge from Marx's argument about the empowerment of the collective worker at the expense of the individual worker? He had already established that this manifests as the power of capital. And every time he elaborates on concrete forms of relative surplus value production, he points out that this process has a dual nature. It is historical progress, the development of the productive forces, a necessary stage in the "economic process of the formation of society," but all of this occurs within the capitalist form. And within this form, it presents itself as a process of relative surplus value production that sweeps away any barrier that might oppose it, and—to put it in these terms—the destruction that this form of human life entails. It is a means of civilized and refined exploitation. This contrast will continue to appear until Volume 3; one must always view it as the unity of these two aspects, and cannot reduce it to one or the other as if it had no other content. Rather, this content takes this brutal form, which is the capitalist mode of production.

[Alejandro comments on this duality, noting that formal logic tends to stick with one or the other, making either apologetic or catastrophic arguments].

JIC: Yes, this content and its form have no place within formal logic. Because it is a form that, in many manifestations, negates the development of the productive forces, for example, when it mutilates the attributes of the individual worker (we will see many more later). It encloses a content within a specific historical form, which has a specific historical potential for the development of that content, but the form itself simultaneously carries within it the negation of its content: it is not the immediate, simple, positive development of its content; it is a development strongly contradictory to its content.

Let's continue with the division of labor in manufacturing. Here we reach the synthesis of this development, its limitations, and how they can be overcome. Here, the development of labor productivity is based on the worker's strength and manual skill. Marx will focus on the limitations this dependence on the worker's manual skill imposes on capital. The manufacturing machine is this sum of a collective body of workers who participate partially in production. He will emphasize that since the progress of production depends on the worker's subjectivity, and the worker has an antagonistic relationship with the capitalist as the representative of capital, the worker can assert their subjectivity by disrupting or halting the work process. Thus, manual labor gives the collective worker in the division of labor in manufacturing a weapon against the capitalist.

I will expand on this. The fact that the quality of work, the speed at which it is done, depends on the worker's subjectivity raises a barrier to the development of labor productivity that is not specifically inherent to the capitalist mode of production; it does not arise from the antagonistic relationship between capitalist and worker, but rather from the determinations of human subjectivity itself. I will emphasize two types of limitations that human subjectivity has with respect to the development of the productive forces of manual labor. [**2**] A human subject is not always in the same physical and mental condition. [**1**] But he also has physical and intellectual limitations [170]that prevent him from performing certain jobs. This is an absolute limitation.

[**1**] For a given task, if manual skill is required, you can have the most skilled worker in the world, but there is only one; therefore, you have to settle for workers with less skill, as you can no longer increase the productivity of that work by applying more force. A human being cannot breathe in an environment filled with toxic gas, and therefore cannot work directly in a job where toxic gas is continuously emitted (in reality, they do, and that's how the worker who works in those conditions dies, but these absolute limitations arise). A worker cannot breathe underwater, cannot work underwater for extended periods. And these are limitations that stem from the fact that a human being is a living being with certain attributes.

[170]I have marked the two limitations in reverse order because they are presented in reverse order in what follows.

[2] But the other limitation is that a human being is not always the same: there are days when they may be more tired, stronger, more skillful, less enthusiastic… And this will be reflected in the material process of manual labor even if the worker is not using it as a weapon against the capitalist. For example: a worker has to tighten some nuts, and he couldn't sleep well the night before, or he is sick, he feels discouraged… He tightens the nut too little and the production fails. Another one came in euphoric because his football team won, he came in with too much energy, he tightens the nuts too much and breaks them.

There is a characteristic technical feature of manual labor that stems from this variability of human subjectivity, whether intentional or not, which is that quality control can only be done after the work has been completed; it cannot be done beforehand because it is impossible to know what will happen to the subjectivity of that individual during the production process. It is only possible to know what happened afterward. And if the normal technical conditions necessary for production could not be applied, then part of the production was lost too late, or more work had to be done to correct what went wrong.

We encounter this dual determination, and since the worker has an antagonistic relationship with capital, they can apply pressure loosely or tightly to demonstrate to the capitalist that the valorization of their capital depends on the worker's subjectivity. A barrier then arises to the development of labor productivity, stemming from this mediation of the individual's subjectivity in handling the tool. And even if all the workers were submissive and did everything the capitalist wanted, and could always work with the same quality and speed, and so on, the capitalist needs to overcome the barrier imposed on the development of labor productivity, and consequently on the production of relative surplus value, by the direct intervention of the worker's subjectivity in the material labor process. They need to take the tool out of the worker's hands. […] Marx will conclude the chapter by saying that in this simplification of manual labor, the reduction to a mechanical movement allows for the incorporation of machinery. And with the machine (as he anticipates), all manual activity as the norm within social production will be eliminated. Two things will happen: the technical basis on which this idea of the worker being tied for life to a partial task is based will disappear, and "it will tear down the barriers that the same principle opposed to the empire of capital."

[Tomás says that taking away the tool "dehumanizes" the work]

This contradiction arises: if the substitution of human subjectivity in manual labor were meant to liberate human beings in their capacity to transcend in the development of what Marx would call "their generic human being," then it would be welcome. The problem is that it comes *at the expense* of that other development. It doesn't free human beings from having to perform the activity (I'm going to put it in very general terms) of doing the same thing an animal can do, so they can then do what an animal cannot do, which is to produce with their consciousness. This occurs under a capitalist system, and it's not so that human beings can develop their generic being, exercise their consciousness as a way of reproducing their condition as natural subjects, making natural forces act as extensions of their bodies, so to speak. It's so that the individual loses the capacity they had to

organize their work as an artisan (they had to think in order to organize it). Now their only movement is moving their arm back and forth because they have to tighten a nut, etc. I'm putting it this way, but it needs further explanation to avoid misunderstandings. But this is what one has in front of them.

[Matías asks about political economy, whether it originated in the manufacturing period from the movement of capital, and about its ideological role].

The answer to that was what I developed not last Saturday, but the one before, at this event to which I had been invited by the East Center of Criticism and Science [171], because it was precisely about the historical character of political economy. I will try to summarize.

When Marx speaks of political economy, in some places he says it is the science of the bourgeoisie, and therefore has no "future." In other places, it appears as a generic body of knowledge, as if it were not specific to the capitalist mode of production, the very consciousness of the personifications of capital. From my point of view, firstly, approaches to disciplinary fragmentation fragment the unity of the social relation. And when it is fragmented, naturalization is inevitable. This is what we saw in the workshop: only if one unfolds that this is a relationship between persons that takes the form of no relationship between persons, between things, and the fact that it takes this form determines the consciousness and will of the commodity owners as personifications of the commodities that enter into such a condition in direct, conscious, and voluntary relation (legal relations), and then one unfolds all the forms as political relations and so on... When one cuts off at the level of the study of political economy, which is the level of commodity exchange (to take it in its simplest form), one has no possibility of recognizing the consciousness and will of the commodity owners as personifications, and then they appear to be naturally free. Political economy cuts off there.

Why does it appear as a science that doesn't focus on the unity of social relations? When sociology, politics, or any of these disciplines cuts in reverse, because they only examine the relationships between personifications, the same thing happens: they find naturally free consciousnesses that have antagonistic relationships, opposing interests, and that's why they clash. So, the fact that Marx titled his works "The Critique of Political Economy"... And when he didn't, it appeared in sociology as a discipline, where political science didn't appear as a discipline... This confronts me with the question, and it seems to me—even more so when it becomes clear that this knowledge can be fragmented—that this is a form of fetishistic consciousness. It's a scientific consciousness... Then, in neoclassical economics, one can ask to what extent it is an objective consciousness, because it's inconsistent with itself. Classical economics is also inconsistent to a certain extent, but neoclassical and Austrian economics clash with their own premises. In his notebooks of 1844, Marx speaks at one point about how at some point there will be only one science, the science of humanized nature, or human

[171]" The character of political economy and the naturalization of free consciousness," on the channel of the Center for Critical Studies and Science: https://www.youtube.com/watch?v=DUCJ4-ipwHw .

natural history, or something like that; he makes two references. And for me, that's what one should aim for.

For me, it doesn't matter where one starts. Because the structure of one's training inevitably forces one to begin with some fragment. At a certain point in development, one has to forget which fragment one started with: one has to look at that social relationship in its entirety. Otherwise, one ends up mutilating the thing, and the first thing that appears is naturalization. I have a view that starting with political economy has an advantage because one begins with the content, and then it's easier to move on to the way that content is realized. When one starts with other areas of science, the difficulty lies in having seen the form as if it were the content, and then having to incorporate the content. But anyway, everyone grasps it from wherever they can, wherever it arises, wherever they feel the need to grasp it, but ultimately there's a point where one has to erase the boundaries of whether it's this or that, because the problem is confronting the unity. I return to what I raised earlier, which was the critique of critical political economy, which ceased to be the object of critique and became the subject, but how does it critique? And it ends up criticizing on the same basis as classical and neoclassical political economy, which is the naturalization of the condition of the free individual (e.g. Rubin and the Ricardians like Sraffa).

[Matías says he can't quite grasp the connection between the *emergence* of political economy and the manufacturing division of labor.]

First, let me clarify. I'm not familiar with what's called the "history of economic thought"—I'm not an expert by any stretch of the imagination. My knowledge comes from Smith onward, and I had to learn Marx's references to Petty and others (the Physiocrats, the Mercantilists). I even have a book on Greek and Roman economists somewhere, which I was once expected to study but never got around to reading. But based on Marx's quotes from Aristotle, the problems of economics emerge. And I'm not sure about the term itself… because etymologically it comes from Greek, predating the period of manufacturing. What one can say is that it's the science specific to the capitalist mode of production. Because when Marx looks at Aristotle and why he says there has to be a common substance that manifests itself in exchange, but can't find it because he lives in a society where individuals aren't equal, what he sees are slaves and masters, and therefore he can't conceive of the existence of human labor as such. So, in previous modes of production, where there is indeed commodity production (but not the commodities we are looking at, much less the commodities produced by capital, which are what we are looking at now)... To the extent that an autonomous regulation movement of the unity between production and social consumption appears, as this needs a management that gives it unity, it is clear that the question of what this relationship that is developing is must arise.

Now, two things: where the commodity appears, capital in its fullness as a general social relation that entails the need to advance the development of the productive forces of social labor, where at the same time there is no longer any direct unity in the process of social life… Because in Greek society there is commodity production, but there is also the direct unity of the structure of

relationships… it is not a primitive community by any means, but who are the members of that society? And that only dissolves with the capitalist mode of production. Then the need arises to manage the total capital of society. And in fact, I don't know about Petty (he was a doctor, but I don't know what…), but political economy is born to organize the action of the state. Smith begins with the development he makes because he wants to explain what action the state has to take, however much he says it's better that no one says it pursues the general interest, but then the problems of management appear. Ricardo's work, *Principles of Political Economy and Taxation,* is a problem of managing the total capital of society. Therefore, it is a science that can only be fully developed within the capitalist mode of production; it is its own science. In previous modes of production, questions and problems may arise regarding how to establish unity. These can only be effectively addressed within the capitalist mode of production.

One might ask whether this is also a problem specific to industrial capital. While commercial and usurious capital are the principal forms of capital, this is a period in which national unity is still based on relationships of personal dependence, on monarchical structures, and production is regulated by these ties. And unity is based on… artisans' production is all regulated. Only when artisanal work is superseded, with the development of the division of labor in manufacturing, do direct personal ties no longer play a central role. And then this scientific consciousness needs to develop in order to manage the total capital of society.

Until a point is reached—which is what Marx argues about Germany in particular, but which is the same thing that happens in the rest of the world—where the need to manage the total capital of society becomes clear: this management must have a strong ideological component, even at the expense of the capacity to manage. Because it is clear that Ricardo's explanation allows us to understand what happens to the movement of total capital in society much better than that of neoclassical economists who struggle to grasp the movements of capital.

It's an issue I raise frequently in courses where students aren't training to be economists, but rather accountants or business administrators: neoclassical economics makes objective learning of corporate accounting impossible. An ideological imperative emerges, imposing itself on an individual who needs to learn objective knowledge to reflect the movement of capital, and they can't master it because the underlying ideology is the complete opposite of what they have to manage. This leads to a transformation in the capacity to grasp the unity of what's happening. Then neoclassical economics develops a multitude of external relationships for measuring different concrete forms and manages them—it doesn't know why that relationship exists, but… It's the same as any other scientific knowledge based on models: you don't know why something is the way it is, but if you operate on this quantitative measure, it has a certain effect. So, again: there's no longer room for a political economy that isn't based on this.

There's one more thing I don't want to forget, and I want to make it clear. When Marx makes this argument that science is separated from the production process, from labor, and becomes a force that capital appropriates, that's how the

relationship between capital accumulation and science will be framed in what follows. And since we're first going to follow Marx's development, we'll get to that point, and then we'll look at it again, and in that development, the concrete subject of science doesn't appear. It appears to be an external knowledge, one that costs capital nothing… But the subject is never defined. Later, we can discuss why this doesn't appear in Marx's development, when he refers to society in general, and is even contrasted with the working class.

[Matías asks about when Marx contrasts the needs of capitalist society in the period of manufacturing, focused on quantity and exchange value, with those of classical antiquity, focused on quality, on producing better use values.]

Capital is value that increases in value; social labor is set in motion to produce surplus value. From the perspective of this science of capital movement, the only thing that might be of interest is the quantitative aspect: there is no qualitative difference, or the only difference is a quantitative one. In other forms of society where the social relationship does not aim to be the immediate driver of value production, what stands out is its use value, the question of what materially will be produced. In the capitalist mode of production, very broadly speaking, it is irrelevant what each individual will produce. And if we look at neoclassical political economy, it has never explained why something has use value (I'm wondering if classical economics later on offers a different perspective...). Smith barely touches on this, saying that some things have high use value but little "exchange value," while others have very little or no use value but a high exchange value. But the question they want to answer is why they have exchange value, not why they have high or low use value. But that's how one chapter ends and the next one begins, which is exchange value. I would associate it with that issue.

[Matías asks how Marx attributes to Plato and others who already intuited the foundation of the division of society into classes the division of labor, while in manufacturing social separation becomes generalized with a fragmented working class, in which the social productive force seems to be an external power belonging to capital and its personification in the capitalist. “What determinations are involved here? Does the division of labor necessarily entail the division between classes?”]

JIC: It wasn't very clear to me, because there's a reference to them "appearing *among the workers*""classes"... I don't have a present.

Matías: What caught my attention was that Plato said the foundation of class separation lay in the division of labor, and I wondered if that transcends a specific period, if the generation of this division of labor implies that classes have to be divided, or if that is an element that generates the division between classes…

JIC: I would have to think about it more to see if he is talking about social classes or some other type of classification.

Matías: Yes, of course, I was referring more to the caste system presented in The *Republic.* Marx says:

> This view of use value predominates in both Plato, who sees the division of labor as the foundation of social class separation, and Xenophon, who, with his characteristic bourgeois instinct, already approaches the division of labor within a workshop. Plato's Republic, insofar as it presents the division of labor as the formative principle of the state, is nothing more than the *Athenian idealization of the Egyptian caste system.*[172]

JIC: Yes… I don't think I could answer you because I don't know what Plato says. What appears there are two divisions of labor that are completely different. In very broad terms: in one there is an individual who produces a complete use-value, and in the other, no individual produces a complete use-value.

We've finished the chapter on the division of labor in manufacturing. Is there anything you'd like to add?

[Edgardo questions whether it contradicts what Marx established when he says that simple cooperation is the basic form of capitalist production, given that in the first chapter the simplest determination of the capitalist mode of production is social labor performed privately and independently. Or whether the idea that it is "the basic form" should simply be understood differently.]

These are references to two distinct aspects or issues. When he begins by saying that in societies where the capitalist mode of production prevails, wealth appears as an immense accumulation of commodities, and then elaborates on the commodity, we understand the commodity as something inherent in the capitalist mode of production and as a product of labor. We continue to move forward and now understand the commodity as a product of capital. And one might say: actually, we first encountered it in the section on absolute surplus value. Why would Marx refer to simple cooperation as a basic form?

We begin with the purity of private and independent social labor: the commodity producer has full control over their individual labor, no control over the social character of their work, and is the private owner of their means of production. That is the absolute purity of private labor. What happens from Chapter IV onward is that this purity begins to dissolve, or rather, to develop in a contradictory way. The first step, when one looks at the chapters on the production of absolute surplus value, where there is no reference to whether the worker works alone or not, is that the worker no longer has full control over their individual labor: they work under the control of the capitalist, who no longer has full control over the individual production process. The subject we had at the beginning is now a fragmented social subject, made up of two separate individuals. And this is the first step in the development of the socialization of private labor.

Up to that point, all we had was: this is capitalist labor, by the way it's organized. The capitalist is the one who manages the organization of production. But what is unique to capitalist production, as one progresses, is that the very materiality of the production process has a social character, and this is the next step in the

[172]Marx, K. (2009: 445-46), *Capital,* Volume 1, Part 2. Mexico: Siglo XXI Editores.

socialization of private labor. And that's why, if one *formally* saw the capitalist organization of labor when looking at absolute surplus value, one only *truly* sees it when cooperation begins. Because it's a production that, due to the very relationship that governs it (unlike the labor of the simple commodity producer), needs to have an increasingly social character within it. So, the first form is simply that everyone is in the same place at the same time, but each person does the same work they would have done alone, and yet from this being together, a social productive force emerges. But in addition, individual capital has to grow to continue extending simple cooperation. So there is the dual process. When cooperation reaches the point where everyone works on the same body of commodity, it is no longer the product of individual work, it has disappeared; now it is the product of social work, and of an ever-growing social body.

So we no longer have the simple purity of private labor: it is private labor that inherently contains the negation of the private character of labor, because it is social labor. Outwardly, it remains private labor, but inwardly, increasingly, due to the transformations of cooperation and the division of labor in manufacturing, and due to the scale that each individual capital must have, what is increasingly contained is social labor… This is where Marx's observation arose that ideologues fascinated by the division of labor in manufacturing are indignant when it is proposed that we immediately establish a social organization of all labor, not just within each private unit. Therefore, it is not a contradiction, but rather the development of what he could only discover by looking at private labor as a form of social labor in its purest form. Because now what he is seeing is what happens to this form of organizing social labor in its own movement. Thus, the commodity, which when we began understood its relationship to capital as existing within the capitalist mode of production, is now increasingly understood as a product of capital. And as such, it seemed that it could be the product of individual work but no, it is necessarily the product of collective work.

Absolute surplus value involves the socialization of labor, but with a separation between who directs and who executes. However, what will become clear is that it's not simply a *formal problem* of management (reminiscences of this will appear in the penultimate chapter). When we move forward a bit, in the chapter that concludes this section on absolute and relative surplus value—which is the difference between the formal and real subsumption of the worker under capital—when we get to primitive accumulation and examine its central axis, there's first a reference to a *formal change.* I'm going to put it in terms that aren't quite right, and I'm getting ahead of myself, but it refers to how labor is organized, who has the power to organize it (it goes far beyond that); instead, it will explore what *actually* happens here, and that is the transformation of the materiality of the labor process when it becomes a collective labor process.

So, the *form* of labor subsumed under capital is already present in absolute surplus value, but what is characteristic of the capitalist organization of that labor, from the material standpoint of that process, only appears when one encounters the production of relative surplus value, and the first step is simple cooperation, where for the first time there is a transformation in the very materiality of the production process. If I remember correctly, Marx doesn't yet speak of the

collective worker there; I do include it to emphasize that we are moving toward a socialization of private labor.

[Javiera asks why talk about collective workers in simple cooperation]

JIC: Because a first subject of the labor process appears that has the character of a collective subject. Even more so when everyone works on the same use-value, because there it is a collective, although undifferentiated internally, but even in simple cooperation, the productive force of that labor springs from its collective character. […] For me, one can already speak of a collective worker.

Javiera: But, in simple cooperation, does the worker already possess attributes that allow him to participate in different functions of the production process?

JIC: No, they all do the same thing, but the fact that they are working together creates a productive force that they don't have separately. So it is that body that has that productive force.

Javiera: I thought that the collective worker appeared at the moment when he carried within himself attributes that allowed him to participate in any part of the process; this would be earlier.

JIC: Yes. In Marx, the term appears with the factory worker, but for me, it already exists before that. It's the point at which the specific character of labor for capital emerges.

Chapter XIII. Machinery and large industry.

We will now move from the division of labor in manufacturing [to the chapter on machinery]. The transition is open when all movement is simplified into specialized mechanical movement, where the production of tools for manufacturing itself emerges, how the production of mechanical devices arises, and the subsequent step, overcoming the barrier inherent in the division of manual labor, which was the worker's subjectivity in handling the tool, and how manufacturing itself creates the conditions for the development of machinery and large-scale industry. We had previously established that this allows us to overcome the technical condition that bound the worker to a partial task for life, and what happens in the subsequent development of the capitalist mode of production with the acceleration of technical change inherent in the development of machinery, and with the extension of the worker's life.

1. Machinery development.

Let's turn to Marx's analysis of machinery. What emerges is a modification in the labor process, because the tool becomes a machine: it leaves the hands of the human subject and becomes part of a mechanism. I want to clarify something related to the technical or material condition of labor. Why this difference between the tool and the mechanism as a whole? Because the tool is what operates directly on the object of labor. When we talk about manual labor, this is clear, but when we talk about a machine, the tool isn't the lathe itself, but rather the milling head on the lathe; it's what operates directly on the object of labor and has become part of a mechanism. Regarding this, it will become clear that the worker has two arms, but cannot wield two tools simultaneously. The number of tools a single machine can handle exceeds—and this was one of the obstacles to the development of productive forces in the division of labor in manufacturing—the organic limitations inherent in the structure of the human body. This is the first step: a number of tools can be handled that are beyond the reach of a human being in manual labor.

The next step is that Marx will contrast what the machine is with what the driving force is. The force with which the tool operates as part of the mechanism is still subordinate to human subjectivity, but then the development of a machine capable of producing force appears, whose function is to provide force for the operation of other machines. Now, all limitations (in absolute terms) arising from the organic nature of human beings disappear: there is no limit to the strength, skill, or tools that can be used simultaneously. But the problem is not an isolated machine: what we will have before us is a system of machinery, each of these machines (to put it very simply) specialized in a partial task. But all the movement of the tools that transform the objects of labor is now a mechanical movement. Thus, what appeared in the division of labor in manufacturing as a power of social labor capable of operating the productivity of any isolated individual labor, and which appeared as a power of capital, not of the workers, now appears separated

from the workers even *materially,* because it is a power of the machinery system. And what appeared replacing those partial workers is a system of partial machines.

What is happening to the worker as an individual? Those specialized skills and knowledge that were once a personal attribute of theirs now appear as capabilities of machines. Here, something I mentioned earlier comes to mind, something that is n't fully developed in the text, and I'll elaborate on it: manual labor is a skill that can only be acquired through work; it cannot be acquired "theoretically," because it depends on the individual's subjectivity regarding the strength, skill, and other attributes they must use. Even the most degraded factory workers, tied to a partial task, still possess the capacity to organize their work. For the machinery system, knowledge must be objective because it's necessary to control the natural forces that will power the tool.

The knowledge acquired in the work process itself, since the tool is no longer being manipulated, ceased to fulfill the role it had in manual labor. This gave rise to the need for objective knowledge, for science, and for the application of technology. Marx argues that this revolutionizes science and technology themselves, because just as the evolution of machinery and its use requires technical knowledge to arrive at the machinery itself, the power that the use of machinery gives to human labor requires continuous progress in the development of that objective knowledge.

We continue to see the developments that the machinery is undergoing, the entire organization of production, and just as it is talking about the qualitative transformation of the machinery and the knowledge to develop it, what appears is the quantitative question, of the proportion that the body of the machine system should maintain, between the machines specialized in different partial tasks.

[Alejandro asks if proportionality is like the division of labor in manufacturing.]

JIC: Yes, except now it's not a problem of combining individual workers with different partial tasks, but rather a problem of combining machines. Again, if one machine takes twice as long to perform one process as another partial process, then you need two of these machines that take twice as long for each machine through which the product flows without the hindrance of having to spend more time.

Alejandro: And that proportionality relationship is "stronger" because the machine has to operate continuously; there is no subject in the middle who can immediately regulate the flow of the work object, right?

JIC: Yes, but what actually happens is this: if the manual laborer's subjectivity is a barrier, the capitalist tries to coerce the worker into making things flow. It's clear that with machinery, the proportions between different tasks can be regulated much more precisely, because it's not that one machine is inherently more skilled than another… So, in a machine system with five machines doing the same thing, the feed to the next machine will be much more regular. But it's really the projection of the need to supply the various individual components of this machine

system, which can be done more precisely. This doesn't mean that machines can't also fail. If it's known with regularity that a machine will fail, spare machines must be available to replace the one that failed and to be able to continue production uninterrupted.

Alejandro: Even entire days scheduled annually, weekly…

JIC: Yes, precisely so that there is no out-of-control production cut-off.

Javiera: I got stuck on this idea of objective knowledge in the machinery system.

JIC: Yes. I'm going to go up to the point where Marx presents it and then I'll come back. In manual labor, knowledge resides in the subjectivity of the individual using the tool, and it can only be acquired and developed by performing the work. If I have a handsaw to cut wood, the most they can explain is that I should put the teeth against the wood and not hold the saw by the blade because I'll cut myself. So you have to start cutting, and you think you're cutting straight, but instead of a straight line, you get a snake-like cut, etc., and one day the person is blindfolded, given the handsaw, and makes a perfect cut, because the knowledge of its full operation resides in their subjectivity. With machinery, that knowledge doesn't operate. Since the machine has objectified control of a series of natural forces that will be automatically discharged onto the tool, the control of those forces must be objective. Natural forces are controlled by knowing how they operate objectively. If I have to manufacture a power saw, the problem is knowing what resistance the wood offers to the passage of the saw with a certain type of teeth, so that the saw cuts the wood and doesn't break it. Even if I learn this through trial and error, it's objective knowledge. And Marx argues that using the machine allows us to go a step beyond what had been achieved with the machine's construction.

With experience using the machine, one has to revisit the question of objective control… […] [173]. I was going to use an absurd example: I cut wood with a saw. As I progress and need a more refined cut, I have to ask myself how it's done, how it can be controlled, how the blade's movement can be better adjusted, how the speed can be measured more precisely. Then I have to revolutionize or change what I knew about how speed is measured. The classic example is the transition from classical physics to quantum mechanics: at a certain point, measurements need to be taken with a precision that the foundation of classical physics can no longer achieve. Thus, the very development of the application of scientific knowledge generates the need for new scientific knowledge.

Marx continues with the question of proportionality, the substitution of the skills of living labor by the "skills" objectified in machinery, the continuous nature of the production process, and returns to the natural sciences… And now the very structure of the machinery system imposes the necessity for the worker operating the machinery to be a collective worker. It is no longer that the very "body" of the collective worker springs from the design of the collective worker: now it is from

[173]Cut in the recording.

the machinery system that the character of the collective worker as such, its design, arises. […][174]

Pedro: I was thinking about when you talked about the topic of objective knowledge… And that, let's say, this objective knowledge is conventional physics, mathematics, and it ends up using conventional theory and logic. So I wonder if there comes a point in development where the very system of the machinery shows that this form of knowledge has a limit, and that limit is set by dialectical knowledge.

JIC: Marx never explicitly states that they are the natural sciences, physics and chemistry, without going into a discussion of their methods. I propose that, just as when we revisit the development of the transformations that occur in the labor process beyond what Marx proposed, we consider who the subject is that produces this objective knowledge (Marx will make references, but they exclude someone without specifying who that subject is). I propose that, having advanced in the development of the method concerning the concrete object before us (capital), we pause to examine the forms of scientific knowledge.

Edgardo: When we return to this, will we also see the full historical development? The issue of NDIT, for example [175]…

JIC: No, we're not going to look at historical development. What we're going to look at is who the subject of that science is. Marx says again: capital appropriates other people's knowledge for free, the "product of society" (he has some other term besides "product of society"), and we're going to see what he says about capitalists. And we're going to ask ourselves who the subject of that science is, what happens to the materiality of labor with the development of a form of labor that, until now, hasn't appeared as labor, what's known as "intellectual labor" (I'm not very fond of that term). We will look at the method, but the other part would take us completely off track, because to look at what's called NDIT, we would have to answer questions about the national forms of capital accumulation, something that isn't even developed in Volume 3; we're very far from that. We would have to develop a series of issues that are in Volume 3 and that pertain to the concrete forms of the movement of capital, and which we also don't have before us. Then it would be very externally that one could look at those issues.

Javiera: When Marx makes the distinction between the cooperation of many similar machines and the system of machines, why does he do it? Because I understand that he does it to say that the system of machinery is something that comes after simple cooperation but with different machines, and that there is also a continuity of process between one and the other.

JIC: I think I didn't dwell on a point regarding the division of labor in manufacturing, where Marx refers to the fact that even in manufacturing, simple cooperation persists. If you take the example of a manual assembly line, there are five parallel assembly lines, with five workers each performing the same task on

[174]Cut in the recording.
[175]New international division of labor.

their own line, and they are in simple cooperation with each other. And what you were suggesting here is the parallel with that: one thing is the machines that all do the same thing—which is equivalent to the process of simple cooperation—and the machinery system is combined machinery, an organic unit in the sense that… It's like each of the assembly lines; they are in that process of cooperation where each machine has a specific, partial task.

Javiera: I don't know if we understood each other, he gives the example of letters, of envelopes where first one machine folds one part, another another… And then a machine arrives that synthesizes all those functions within itself.

JIC: That's true and that's not true. Because it depends on each technical process. And I'll give you an example I learned from talking to people involved in the technical side of this. It's an indirect example, but when robotization processes begin, there's a single motor that performs all the movements of the robotic arm. And at a certain point, that single machine that performs all the movement is replaced by small motors placed at each joint. Furthermore, it can happen that processes that were previously done by a single machine, and that there are also specialized machines, due to the degree of precision required for the tasks they perform, that are fragmented across different machines. So, I don't know if there's a process of transforming diverse machines that perform partial tasks into a single machine, and if there aren't processes in the reverse. We'd have to see if that's a universal movement or not. That's all I can say.

2. Transfer of value from machinery to product.

Let's begin with section 2. One might ask why Marx followed this order, but again, that would be a purely speculative answer, so I'll take it as it is. What now appears as belonging to the machine... was mentioned in the chapter when we looked at the labor process and the valorization process, and in the transfer of value of constant capital, this question of how the value of machinery reappears in the value of the product already arose. But what Marx will develop here is not simply the transfer of value, but rather the reappearance of the productive forces that arise from cooperation, from the division of labor, and Marx will argue: this costs capital nothing. What costs capital is the value of the labor power of individual workers. The productive powers that spring from the collective nature of labor—capital doesn't have to pay for them because the value of labor power has nothing to do with this. And neither do the natural forces that it appropriates for the productive processes cost it anything. And here are some things that raise some doubts for me.

The question of science returns (that is, the appropriation of natural forces in production processes), and he will argue that it costs the capitalist “nothing” (it appears in quotation marks [176]), that he can exploit it, and that he appropriates other people's science no more and no less than he appropriates other people's

[176]See footnote 23 in Marx, K. (1977: 316), *Capital,* Volume 1. Mexico City: FCE.

labor. And he will distinguish between what he calls “capitalist appropriation” and “personal appropriation” of both science and material wealth. And he will cite a certain Dr. Ure, whom he will call the Pindar of English manufacturers, who acknowledges that capitalists who use machinery have not the slightest idea about mechanics; in personal terms, they are absolutely ignorant. And he cites a certain Liebig who says that English capitalists in the chemical industry don't know a word of chemistry. But here, where this gratuitous appropriation of other people's science has appeared, the producer of that other people's science has not appeared. Because science is contrasted with labor, it does not appear as a product of labor. It is clear that the capitalist does not have that scientific subjectivity, but it is not defined who the subject of that science is.

Javiera: Why does she put “nothing” in quotation marks?

JIC: When he later discusses natural forces, it becomes clear that natural force itself costs nothing. The development of the machine that incorporates the control of these natural forces does cost money. But the machine also controls a natural force that is *fully utilized* each time it is used. But how much value does it transfer? How much does this use of the machine cost the capitalist? Only the small amount that is worn down. So, he has a natural force that he can fully utilize in each production process, but each production process costs him a little. I sometimes find doubts, and sometimes not, when I look at this chapter. Why this assertion that it costs him "nothing"? You'd have to ask Marx. It appears as a caveat, but I couldn't say so strictly.

[II]

Capital appropriates these forces of nature "for free," etc. But given this, it appears that in order to set these productive forces in motion, the capacity to control natural forces must be embodied in machinery. And now, what emerges from this process is that if these forces are embodied in machinery, which is constant capital, dead labor, which does not create value but transfers its value to the product as the material production process consumes its use value, then what will happen is: why does the individual capitalist increase the productivity of their workers? To decrease the value of their commodities so that they can sell them below the social value and above the individual value, thus obtaining extraordinary surplus value. And up to this point, the two previous forms of labor productivity development simply decreased the amount of living labor incorporated into the commodity, and nothing changed with the amount of dead labor; it remained the same as before because it was basically raw materials and auxiliary materials. And now, with the development of machinery, a new source has emerged that transfers value to the product.

The more developed the machinery system becomes, the more value is transferred from the mass of machinery to the product. The question is: what happens to this added value, which, instead of making the product cheaper, actually makes it more expensive? How much value does it transfer? It doesn't transfer its entire value all at once, but *gradually.* The more times the machine can be used in the production process, the smaller the portion of value it transfers to the product, and the less it increases its price. This is where the separation comes in: the machine is worth $100, but each time it's used, it will transfer—let's say—$1 to the product's value. Therefore, it will be used 100 times, it will cost $100, but it will be used 99 times "for free." The question that arises is: what is the capitalist limit to the incorporation of machinery, when does it make sense from the point of view of capital to implement a machine that increases the productivity of labor (decreasing the value of the commodity produced) at the expense of transferring value to the product?

There is an initial response, which is that the value transferred to the product must equal the reduction in living labor that transfers value to the product. This will appear to be the limit; it makes sense to incorporate machinery when the dead labor added is *at least* equal to the living labor saved, and the value of the commodity will not change—the total mass of value. But it will then become clear that this is not the *capitalist limit* to the incorporation of machinery. Because from capital's point of view, living labor is not simply living labor, but paid and unpaid living labor. The saving of *unpaid living labor,* from capital's point of view, is not a saving. If the machine transfers as much total dead labor as the living labor it saves, it has consumed the portion of unpaid living labor, which ceases to be surplus value for the capitalist. The limit is that the value transferred by the machine to the product must be less than the value (the paid portion) of the labor power that disappears due to the incorporation of the machine.

A second step will appear at that limit, because if the working day remains constant, since labor productivity has increased, the mass of commodities entering

circulation also increases. And as the mass increases, the solvent social demand for them must grow, and for this demand to grow, the price must fall. Consequently, it is not enough for the machine to save an amount of paid living labor equal to the value it transfers to the commodities; it must save more paid living labor to absorb the price decrease due to increased production. Thus, the capitalist limit to the incorporation of machinery will take another step: the added value transferred by the machinery must be less than the paid living labor saved.

And what will happen with this is that the worker will be displaced by a machine that embodies less labor than the worker would have done had he continued working manually. So, over the machine's lifetime, it will have displaced the worker from the labor process for a longer period than the labor time applied to building the machine. [...] This machine transfers this magnitude of value, and when you add up the 100 uses, it adds up to an amount of labor equal to the sum of *paid labor* that the worker would have performed had he not been replaced by the machine. But since that worker also performed his unpaid part of the day, he has now been displaced by a machine that only embodies the amount of labor that his paid day represented. Therefore, the worker will find—I don't want to go any further because Marx divides this into two parts—that he has been replaced by a machine that embodies less labor over time than he would have performed had he remained in production working manually.

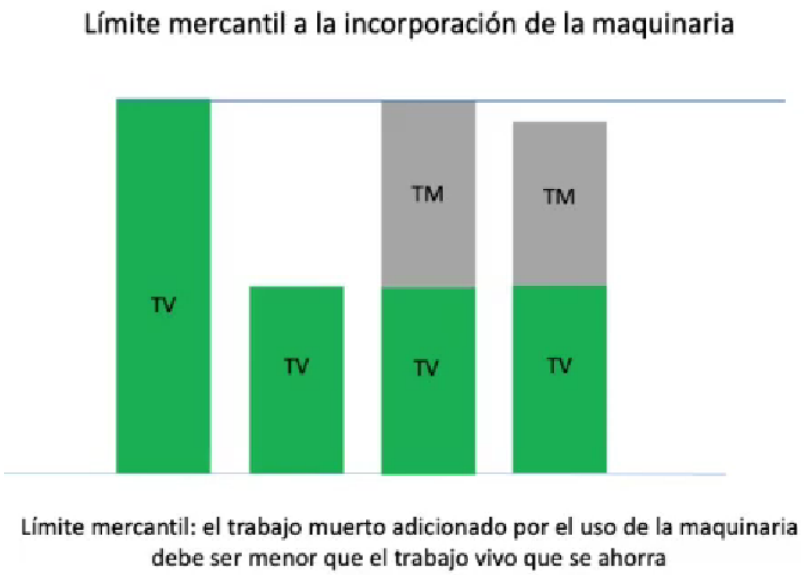
So, a contradictory movement will emerge here, which Marx will elaborate on, because he will say: since workers are displaced by the use of machinery... Let's suppose that the rate of surplus value was 100%, half the workday was paid and the other half unpaid, and the worker is replaced by a machine that only performs the paid portion, and consequently, there is a surplus for the entire unpaid portion. Marx then makes an observation on this, but it doesn't pertain to the strict normality of the movement, but rather to the concrete forms in which this will develop. This observation is that workers can be expelled from a branch of production by the incorporation of machinery to such an extent that when they seek buyers for their labor power in other branches, the price at which they have to sell their labor power falls so far below its value that this low wage now constitutes a limitation on the incorporation of machinery in the industries to which they have flocked.

Because machinery can only be incorporated to the extent that the value it transfers to the product is less than the price of the labor it displaces, if labor becomes cheaper because it is surplus, the machine has to cost less to reach the point of incorporation. Therefore, it is more difficult to develop a machine that, while costing less, achieves the same increase in productivity as if labor were sold at its value, and is also worth less than that. This constitutes a barrier to the incorporation of machinery. And it will be presented as sometimes having a temporary character and other times an absolute one, which makes such incorporation impossible.

Therefore, Marx will again highlight the question of the source of the profit that the capitalist who incorporates machinery will gain, arguing that this profit does not originate from a decrease in the amount of labor applied, but rather from a

decrease in the amount of paid labor. Thus, we encounter the question of what happens to the transfer of value from the machine to the product.

[**Commercial and capitalist limits to the incorporation of machinery.**]


Límite mercantil a la incorporación de la maquinaria
TV
TV
TM
TV
TM
TV
Límite mercantil: el trabajo muerto adicionado por el uso de la maquinaria debe ser menor que el trabajo vivo que se ahorra

[1] [2] [3] [4]

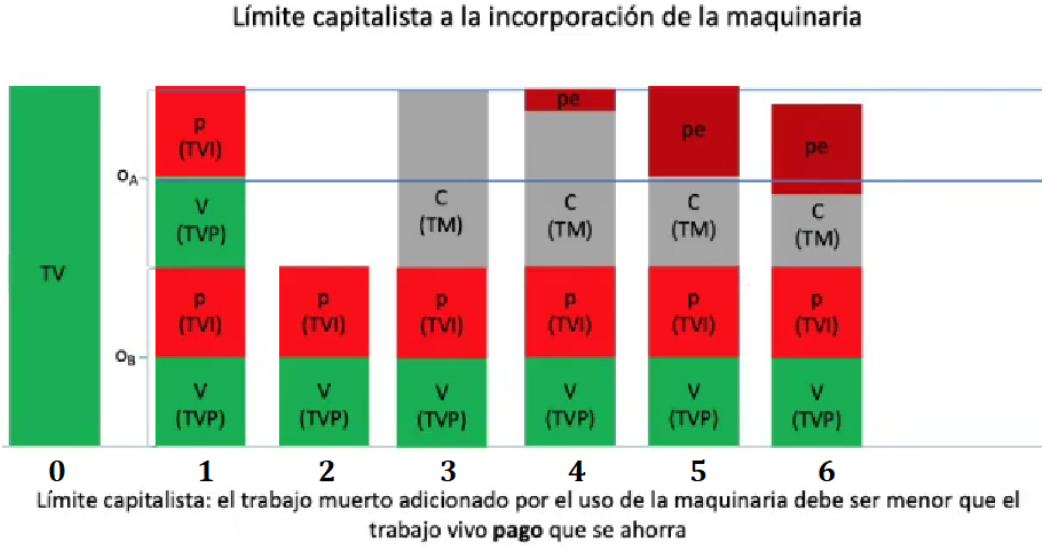
[**1**] We begin with this first step taken by Marx. One can see it, on the one hand, as a technical limit, as a general criterion for when it makes sense for a society to incorporate machinery if it could choose rationally. Let us consider that we disregard raw materials and auxiliary materials, and we have a commodity whose value only embodies materialized living labor, and that value is the height of this green stick.

[**2**] And the possibility arises of doubling labor productivity (the scales aren't very precise, but...) by incorporating machinery, transforming that manual labor into machine labor. The value of one unit of that commodity decreased by half because it has half the TV as before.

[**3**] But now we need to add the value transferred by the machine, which we will assume is equal to the TV that would have been spent to produce the unit of commodities. Thus, we have a situation in which the value of that commodity did not change. So far, this implies that the total labor displaced from the production of this commodity by the incorporation of the machinery throughout its useful life is equal to the amount of labor it took to produce the machinery.

[**4**] Here we see the aspect of the second step in the limit (also valid for the production of simple commodities): if labor productivity doubles, twice as many commodities now enter circulation as before. For the doubling of the quantity of commodities to be absorbed, the price must fall, and therefore, the level of socially solvent need must increase. Thus, viewed from the perspective of commodity production, unless the commodity producer who has incorporated the machinery and uses it himself withdraws from production (this is entirely abstract, because the simple production of commodities is not the central point of the movement), in order to incorporate the machine, the additional TM (Medium Labor) would have

to be less than the TV (Term of Labor) he saves, so as to absorb the fall in the value of the commodity due to the increase in productivity. From the point of view of the value of commodity production, this is already the limit.



The above was insufficient from the perspective of capital. Now we have the living labor expended in producing the commodity manually [0] [177], but which is integrated into two moments [1]: the green represents **paid living labor** and the red represents **surplus value** (rate of surplus value = 100%). Let's consider that there are two workers, **OA** and **OB, and** each of them expends this amount of labor [each half of the column] in the production of this commodity [**0**]. Each receives the value of their labor power, and we have the initial situation. And now [**2**], when we find that with machinery the productivity of labor can be doubled, two workers are no longer needed; OB is sufficient, and the value of the commodity has fallen to this level.

[**3**] But we find that constant capital has appeared, which will transfer its value to the commodity, and we are now in the same position as when we started [column 3 of the commodity limit]. This constant capital transfers to the product, each time it is used, an amount of value equal to the value that the AO previously produced. Here there is a problem because it is not simply surplus value (here Marx uses the word "profit"), we will try to look at it in its most basic form. [...] Now what we have is that **surplus value** has been reduced by half, because the unpaid TV that the AO produced has disappeared.

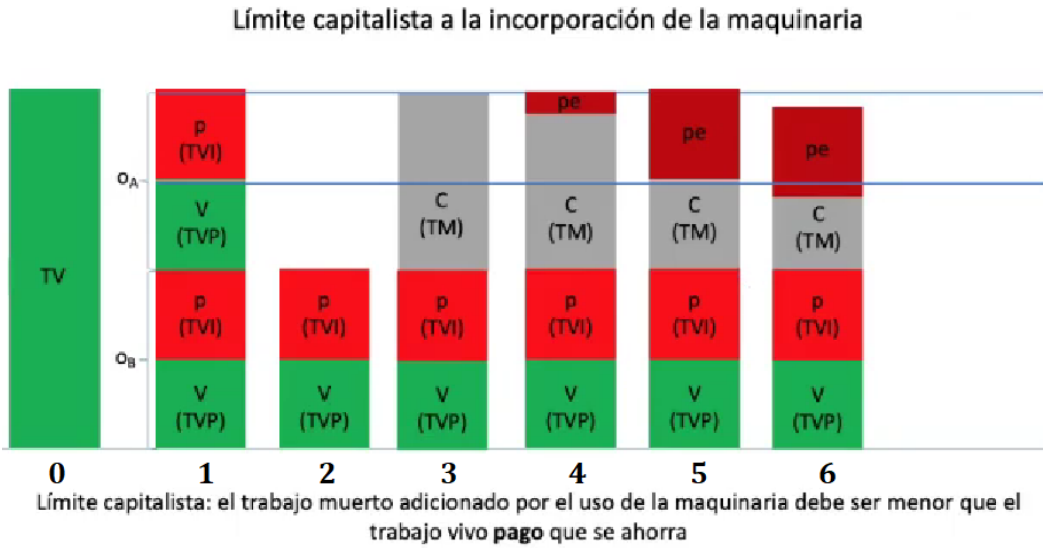
But if we look at it not simply from the standpoint of surplus value, but from the standpoint of profit, beyond the fact that the machine is worth much more than just this, now the capitalist has this constant capital **(TM)** invested in the machine, plus this variable capital invested in purchasing the labor power of the worker who remained to obtain this amount of **surplus value,** and before [1] with half [value of OA + value of OB] he obtained twice the surplus value. Therefore, this machine, from the capitalist's point of view, reduces his appropriation of surplus

[177] I personally added the numbers to the diagrams to make the presentation easier.

value, even though it doubles labor productivity; from the capitalist point of view it is worthless, because it reduces the mass of surplus value he appropriates in proportion to the capital advanced.

So, this machine [**3**], which when we looked at it from a market perspective we said: it can be the criterion... One can look at it as a criterion that, from the point of view of the unity of social labor, is neutral; the labor applied decreased in the same proportion that the labor applied in the production of the machinery is increasing; the total labor applied by society in producing that commodity is the same as it was before, and it may appear indifferent. Is it more worthwhile to apply living labor to producing the machine or to simply apply living labor to producing this commodity, if the amount of living labor that will be applied throughout the useful life of the machine is going to be the same? From the capitalist's point of view, that difference, which one might say has a material character, is useless.

[I'm putting the same diagram back on so you can look at it better]



[**4**] And this is where one can begin to look at the same thing we were saying in the case of "commodity" machinery: since labor productivity will increase, if the working day remains the same, the number of units entering circulation will increase, while those who haven't incorporated the machine will continue to send the same mass of commodities into circulation as before. And then, what emerges is the possibility that... The condition for the capitalist to incorporate the machine is that if they sell at the social value [High Blue Line], their individual value [**TVP** + **TVI** + **TM**] will be smaller and they will have **extraordinary surplus value.** But the problem is that they can't sell at the old social value because the mass of product has increased.

[**5**] So, in order for the extraordinary surplus value that it appropriates by selling at social value to equal the situation it had before incorporating the machinery ([**1**]) and with the same capital obtain the same mass of surplus value as before, only that part is extraordinary surplus value and another part is normal surplus value extracted from its worker, it would have to be able to sell at the old

social value, and only if the machine transfers this amount of value [TM] to each unit of product, does it make sense to incorporate the machinery.

[6] This machine [2] and this other one [3], from the capitalist's point of view, cannot be incorporated. It can only be done with a machine that manages to double labor productivity, just like the others, but so cheap that it only transfers that amount of value [TM] to the product. And what is at stake here is that it cannot be sold at the old social value, but below it, and consequently, the previous machine [5] will not be cheap enough to allow its incorporation either, because the value it transferred was equal to the value of the labor power it displaced. The new machine now transfers less value to the product than the labor power it displaced, and so the capitalist limit to the incorporation of machinery is that the value added by constant capital to the commodity has to be *less* than the amount of ***paid*** **television** saved, not simply equal. [This is clearly seen by comparing (1) and (6)].

What immediately becomes apparent is that it is much easier to produce a machine that doubles the productivity of labor but is so costly that it transfers this amount of value to the product [3] than to produce a machine that does the same thing but only transfers this amount of value [6] to the value of the product.

[I'll explain further in response to Javiera] The individual value of the commodity goes *up* to C (TM). At that price, something is being sold that embodies an individual value that extends to this point. The old social value also reached this point, and now it's being sold above the individual value and below the social value. What will happen in this scheme is that, in the long run, this will become the **new social value.** [Lower blue line] the extraordinary surplus value will have disappeared, but what will happen in the general movement is that the value of labor power will decrease [green box] and the rate of surplus value will increase.

I always frame it in terms that resonate with the accountant's scientific understanding, with the capitalist's common sense. How can you objectively present this to someone who has to scientifically decide whether or not to incorporate machinery? The analysis they'll make (I'll put it in the practical terms of the immediate situation) is that the depreciation of the machinery has to cost less than the wages saved. If depreciating the machine costs more than the wages saved, it doesn't make sense because it will increase the price of the product. If it costs less, it makes sense because what appears to that person as the cost of that commodity will decrease. This is, bluntly, the expression of this capitalist limit to incorporating machinery. [...]

[Alejandro asks whether it is possible to distinguish, within the movement of a specific capital, which portions of surplus value correspond to those produced by that same capital and which to an expropriation of other capitals.]

[Edgardo mentions that he read in Caligaris and Starosta that there is a discussion with positions that deny the existence of surplus value transfers].

The issue here is that one has to go back to the starting point of the determination of commodity value… because it originates from value-producing

labor. Let me put it this way: that a commodity producer, when they bring their commodity to exchange because they have above-average labor productivity, receives the product of more socially significant labor than they actually contributed, is not simply a merit of that individual: it is also a detriment to the other producers of that commodity. It's not that they produced more value, but rather that the amount of abstract labor they applied is socially recognized as if it corresponded to a larger amount of labor because others are expending a greater amount. And the same is true in reverse, in which case it's not that they abstractly produce less value; the determination of value doesn't have the character of what each individual does alone, but rather reflects what happens within the unit of production of *that* commodity. So, one producer will be recognized for a smaller amount as if it were greater from a social point of view, and another the opposite. Under normal circumstances, the producers of that commodity will have invested a total amount of abstract labor that entitles them to the product of the same total amount of abstract labor materialized in another form. The difference is that those who invested less material labor than the average will receive the product of a greater amount of material labor.

When it's discussed in the terms you observed, Edgardo, what emerges from that discussion is a problem of circulation… Because the same thing happens in circulation: when a commodity is in surplus, it's not that labor productivity has decreased and therefore less value is appropriated; it's appropriated less because it's being sold below value (it could be that labor productivity is so high that, even selling below the average value, it still receives more than it invested). And there, the person who was in the average situation and sells below value will have invested a quantity of abstract labor that, until now, was recognized as socially necessary under normal circumstances. But since normal circumstances take the form of the constant fluctuation of surplus or shortage, they will receive the product of a smaller quantity of abstract labor recognized as socially necessary. Conversely, if there is a shortage, they will be able to sell at a higher price, and their labor is neither more nor less productive than before, nor did they expend more or less labor materially.

When it's argued that surplus value arises from the movement of circulation (this is linked to ideas stemming from Rubin, though I don't attribute this to Rubin), because the profit from extraordinary surplus value arises from circulation and not from the production process… The workers of the capitalist who possesses the technological innovation don't produce more labor. When their product, which embodies a certain amount of labor, enters circulation—and here it's no longer simply the norm but *the movement of the norm* —it will be circumstantially recognized as if it embodied more, and someone will have to pay for that at the expense of their share of the product of social labor. I don't know if that's clear: I look at the workers of this capitalist who now possesses extraordinary surplus value, and they work the same amount of time as before; their labor power is worth the same. And if surplus value is the form that surplus labor takes, they could never have produced [more] surplus value because there is no more surplus labor.

Thus, circulation is attributed with the capacity to create value. This has a now highly developed expression in Rubin's approach, which stems from the observation that value originates in circulation (although Rubin states that it exists in production, he says it doesn't exist "in the full sense" but rather in the mind of the producer, until it reaches circulation). Supply and demand then determine the value of commodities, because they are sold for more or less depending on the circumstances of circulation. And so, there is no further value: commodities are always exchanged as equivalents; there is never a deviation from value. Therefore, there is no basis upon which to adjust production (whether there is a surplus or a shortage), and this is the degraded version of neoclassical economics.

Neoclassical economics states that price is determined by the interplay of supply and demand, but supply and demand have a prior explanation. For them, utility and scarcity, in the context of maximizing total utility subject to diminishing marginal utility, are what manifest themselves in the movements of supply and demand. Thus, some advance or retreat, moving based on this foundation. And the equilibrium point where everyone maximizes their total well-being subject to the budget constraint (which corresponds to scarcity) and diminishing marginal utility is the point that will be revealed in the supply and demand equation.

What does the most vulgar form of neoclassical economics say? It says: it's supply and demand, period. And the price is determined by the cobweb theorem, which moves between supply and demand until it reaches the equilibrium point. In Volume 3, Marx says: the norm cannot be explained by deviations; it is the norm that explains the deviations. At the point where supply and demand are equal, the differences between supply and demand explain nothing because they cancel each other out. So, what determines the price? There are lines of Marxism that present themselves as very sophisticated, such as the so-called "New Reading of Marx," which say this: supply and demand determine the value of commodities.

Here it appears that labor power is sold below its value. Why is it sold below? Marx says that workers are displaced to such an extent in some sectors that they flow into others where, due to the cheapened presence of this labor power—where wages fall below its value—machinery cannot enter. If one says that supply and demand determine value, then labor power is never sold below its value, because it is sold at what supply and demand dictate. This leads to an apologetic defense of the capitalist mode of production, because it is being said that wages are falling drastically (in Argentina, there are registered wages so grossly below the value of labor power that they fall below the so-called "poverty line") and workers have no reason to complain because they are selling their commodities at their value. Such is the degree of aberration in this argument…

The first I heard about this type of argument came from a discussion group at UNAM (National Autonomous University of Mexico) about a series of papers on *Capital,* specifically the first edition of my book*, Knowing Capital Today.* The person who wrote the commentary on my book, which was published in another volume, criticized my argument, claiming that I was unaware of Marx's fundamental contribution in discovering that supply and demand play a role in

determining value. I read his critique up to that point, and I decided it wasn't worth pursuing the argument further.

In the second edition of my work, I incorporated the work of Heinrich, one of the leading figures of the New Reading, who says that when Marx speaks of socially necessary labor, he is referring to supply and demand. This surprises me, it baffles me. How can anyone say that? How can they not consider what that statement means? There is no unity then, no way to recognize normality, no selling of labor power below its value! What is the political necessity of making such assertions, and of presenting Marx as the basis for them? I refrain from saying that Marx says this or that; I only quote, and I stand by what I say. In Heinrich's book, it is attributed to Marx. And Marx speaks constantly of commodities that are sold above or below their value. What does it express regarding the political weakness of the working class that, in the name of producing working-class consciousness, such assertions are made that leave the working class disarmed? If I go to discuss salary and they tell me that supply and demand determine the value of my labor, I've already lost. What's there to argue about? I'm redundant everywhere; whatever they pay me is fine because that's what supply and demand define.

I'm going to address another aspect of this, because it's another point of discussion. I'm going to take the liberty of skipping over to Volume 3, because it's a political debate in Argentina that also relates to the weakness of the working class today. This is linked to land rent. The argument is that if a capitalist operates on better land, their workers produce more value. It's not that the commodities that are subject to… the productivity of labor to natural conditions that are not controllable by capital, and that therefore one has to put… Different natural conditions in production, the condition for the capital that is going to operate on the "worst land" is that it is valued normally, just like the capital on the best land, and since everyone sells at the same price, the price is determined by the normal condition of the capital that operates on the worst land, and this generates an extraordinary surplus value for the capital that operates on the best land, and that this surplus value is appropriated by the landowner… Surplus value that springs from circulation, because to say that this surplus value is the product of more productive labor, that produces more value… Apart from clashing with the unity of all development, it has, among other things, this implication…

And I heard one of these people, who are so impressed because he says there are 160 taxes in Argentina, say that when they were discussing export taxes on a television program [178], he said, "No, but export taxes raise prices, because they're added to the price." If I say that the extraordinary surplus value obtained by the capitalist who operates on the best land and then loses it to the landowner is actually value produced by the workers on the worst land, then I would have to say that export taxes should raise prices. So we reach this level of incoherence regarding… that surplus value arises from circulation because phenomena of circulation cause labor to be either strengthened or weakened in its ability to produce surplus value.

[178]That's what they call export taxes in Argentina.

This response has been quite disorganized, and… For me, we must always start from the beginning, that this is a process of social metabolism based on labor. The problem is how society's total labor capacity, which is embodied in the bodies of its various members, is allocated; how each person is assigned how they will spend their share of labor power in a specific, useful way. That's what one must always keep in mind: that value is not an abstract social validation, but rather the social form that the material content of that allocation of social labor, performed privately and independently, takes.

If you start from the middle, what appears is: well, this is all just floating around in the air. If you start from the beginning, you say: here's a problem of *material unity,* established indirectly. The fact that its material unity is established indirectly implies that, apart from the fact that things can be produced that are useless, that don't have use value, there are individuals who put in more labor and receive less of the product, and vice versa. In the movement of normality, and then in the complex development of the movement of capital, this idea I was talking about—particular branches of production that at this point can't be answered by following the development—but which make it appear that value springs from circulation… Value is socially necessary abstract labor that is *materialized* in its product, and in circulation there is no more labor; the quantity of labor cannot change. What happens is that more or less can be recognized, but the quantity of labor doesn't change. For someone to be recognized more, another has to be recognized less, even though materially each one contributed what they contributed. Commodities enter circulation with value; it is only there that their value *becomes apparent.* This is what Marx argues: that the attribute can never emerge from the relationship itself; rather, the relationship reveals the existence of the attribute.

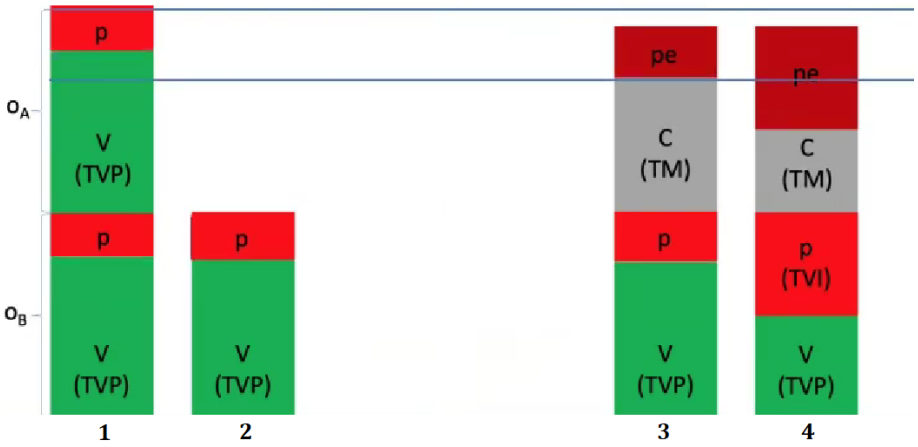
Let me clarify: those who want to read that value arises from circulation and that supply and demand determine value have two places in *Capital where they can find* this and say whether Marx actually says this. Now, one has to look at that critically, because if one wants to respond with quotes, one can find a thousand quotes that say the opposite of those two. But if someone wants to cling to the quotes, there's one in Volume 1, when he begins to examine circulation and says: "substance, magnitude of value, is added to it," without explaining where that substance comes from, or that if it's added to something, it's because it was lost from something else. But it's not stated. And the other is in Volume 3, where supply and demand appear as determining value. One has to reproduce it for oneself and subject that development to criticism and ask: in what I'm finding here, how can it be explained that more value appears from circulation, if commodities enter exchange with value? Someone has to have lost a part of their own so that another can see theirs increase; there is no other source of value.

[Answering a question about extraordinary surplus value] […] the socially necessary abstract labor that is materialized in the commodity is the *normal mass* of labor. That is why in its simplest form it corresponds to the average. But the *total mass* of labor that society allocated in this concrete form… if some were more efficient than others, some get more at the expense of others, but the mass is the one that corresponds to the socially necessary abstract labor, which entitles the

mass of its producers to take the product of the same quantity of socially necessary abstract labor done by others.

We are left with two questions that Marx raises in the chapter. One is what happens to the worker who has been displaced by machinery. The second is (as Marx puts it): why, when there is a surplus of labor power, is it paid below its value, and does this hinder the incorporation of machinery? But one can also look at it in relation to whether the value of labor power is higher or lower.

Here we have the capitalist limit to the incorporation of machinery, where the constant capital added to the value of the commodity must be less than the variable capital saved by incorporating machinery. What happens if labor power is relatively expensive (in the abstract)? The rate of surplus value is low.



This [**4**] [179]is the situation we had in the initial case, with a surplus value rate of 100%. In this other [**1**] the surplus value is less than 100%. The difference lies in the fact that, reaching this price [the upper limit of (**3**) and (**4**)], in the case we looked at before where labor power had this value [**4:** value **(TVP)**], it was only then possible to incorporate a machine that transferred this amount of value [**4:** constant capital **(TM)**] to each unit. When labor power has this value [**1:** value OA], going below the cost of the displaced TVP is achieved much sooner. And then, the same increase in labor productivity can be achieved with a machine [**3**] that transfers more value than [**4**] to the product. It is easier to get a machine to double the productivity of labor by transferring this amount of value [**3**] to its product than to get it to do so but only transfer this amount [**4**].

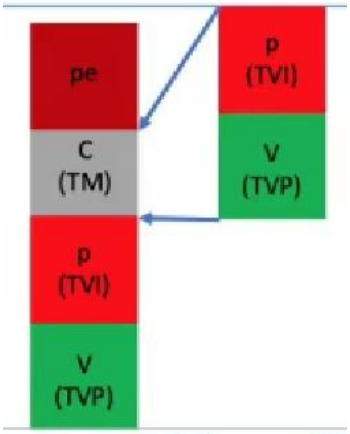
This is the opposite of the case Marx is proposing. It's the case where, since this [**1:** O A] is the worker who will be displaced by the machine, how much value does the machine have to transfer to the value of the product? Less than the cost of the displaced labor power. This [**3**] is the point [less?]... I took it there because the sum of the two surplus values is equivalent to... the two surplus values, but the sum of

[179]Again, the numbering under each column is customary. We apologize for the inconvenience this explanation may cause.

capital is smaller here [**3]** than it was here [**1]**, so the capitalist will have no doubt that he must incorporate the machinery. This was the case where the more expensive labor power is, the easier it is for capital to substitute TV for TM.

The cheaper labor power is, the more the situation is reversed. Because now, to reach the point where TVP (TVP) savings will begin, a large portion of the total amount of labor that existed must be consumed, and consequently, a large portion of surplus value must be consumed. And the machine can only be incorporated with this value of labor power [**1]** if the machine doubles the productivity of labor but only adds this amount of value [**3]** to each unit of product, from the portion of the value of labor power [**1:** value of O_{A}].

[…] And so, I'm going to bring up something that might be premature, and a contradiction that arises from this. If we said that the capitalist mode of production is revolutionary because it continually revolutionizes the materiality of the labor process, and consequently revolutionizes what a worker is, what a capitalist is, what a human being is, and this revolutionizing goes in a direction that contains a contradiction with respect to the private nature of labor, because it advances its socialization, what we have before us is that every action the working class takes in defense of the value of its labor power pushes capital to incorporate machinery, making it easier for them the more expensive labor power becomes. And consequently, the more the transformation in the materiality of labor intensifies, the more the socialization of private labor develops. So, defending the conditions for selling labor power is not simply an immediate need of the working class, but rather has a progressive character; it pushes them to develop machinery. at what expense ?



At the expense of the fact that the incorporation of machinery displaces the worker, who for each production cycle worked this amount of time [right] and has been displaced by a machine that only transfers this amount of value to the value of the product [left]. And if this machine is used to make 10 units, the total labor produced by that machine is constant capital * 10, whereas if the labor in this branch had remained manual, this worker would have worked 10 times this amount [full right column]. He has been displaced by a machine that embodies less labor in total than the living wage that the worker performed, and he has been displaced for his entire working day. It may seem that this worker could obtain work by producing the machine, but this comes later in Marx's development, in what he will call the "theory of compensation." And so, this, which has a progressive character, when the working class pushes the value of labor power upward and facilitates capital's incorporation of machinery, does so at the expense of displacing a portion of the working class's own labor power out of the production process. Everything that happens in the capitalist mode of production is at the expense of the working class, even its progress in pushing capital, in the immediate conditions of its own reproduction, to advance in the socialization of private labor: it does not come for free, it is at the expense of a part of its body.

The other point here was this: when we compare this situation with this [expensive/cheap labor], it's something that has an immediate impact in Latin American countries (although it exists worldwide), where labor is cheaper because it has less value or because it's paid below its value (let's put it that way), and it's more difficult to incorporate machinery. Consequently, there are sectors of production where manual labor persists, while in other countries, where labor is paid its value, it has been replaced by machinery. Spain isn't so far removed from these situations compared to other European countries and its own history.

[Pedro comments that Marxist economics often posits that the incorporation of machinery stems from the need to compete with other capitalists, and whether this is a product of the appearances of circulation.]

The same applies to the chapter on relative and extraordinary surplus value: for the individual capitalist, as the embodiment of their capital, it is a matter of life or death to be at the forefront of the development of their workers' labor productivity. Those who cannot maintain this condition are displaced from production by competition. The capitalist sees only that if they don't obtain an extraordinary

profit, they will be defeated; they cannot avoid this. Competition is universal, not limited to the same or related sectors: if other commodities become cheaper because labor productivity increases, there comes a point where those that haven't become cheaper because labor productivity hasn't advanced become so expensive that they eventually disappear from consumption.

We don't yet have the concrete forms of competition (Volume 3). One could present it as follows: this capitalist, because he's generating extraordinary surplus value, attracts others who try to advance further, while some fall by the wayside, or new capitalists enter the market because there's a source of extraordinary surplus value here that doesn't exist in other sectors. The most powerful instrument of the concrete movement of competition is credit. It's not that in this sector there's excess production and we all leave, and in another there's extraordinary profit and we all come. I always illustrate this with the capitalist who produces *Z:* he can't start producing *Ñ* because he'd only obtain more surplus value circumstantially. What moves capital from one sector to another is credit. Where the movement of capital is prosperous, the capitalist goes to the bank (to use an analogy), and the banker says: with this balance sheet, it's worthwhile to lend to this individual because he'll be able to pay. And then another one comes along who has increasing losses and his credit isn't renewed. And then he wasn't in a slow agony: he died, he broke down.

So, when you look at the forms of competition, you have to look at this concrete form because it's key. Otherwise, it seems like a very abstract movement. The result is this: in one sector, companies end up leaving, one technology disappears and is displaced by another, in movements that are complex because they are heavily mediated by the flow of borrowed capital. What the capitalist sees is the immediate result; they don't see the surplus value. As we progress through Volumes 2 and 3, we'll see why the capitalist sees things the way they do, as they appear to them, and what they actually see is the complete opposite of this.

What follows are the effects on the worker, and the first step that emerges is a discussion of women's and child labor. I usually dwell on this point much more: examining all the transformations that occur in the capitalist mode of production in relation to this, where it becomes very immediately clear how the capitalist mode of production is revolutionary, in a historical development that occurs very visibly within the capitalist mode of production itself. It is the same historical development as what happens with men's labor, but a part of that development appears—because it is not simply that way—as something that is present from the outset. And so, this part doesn't seem to me to be left for later; it is important to address it now because it arises very immediately from what is emerging in Marx's analysis.

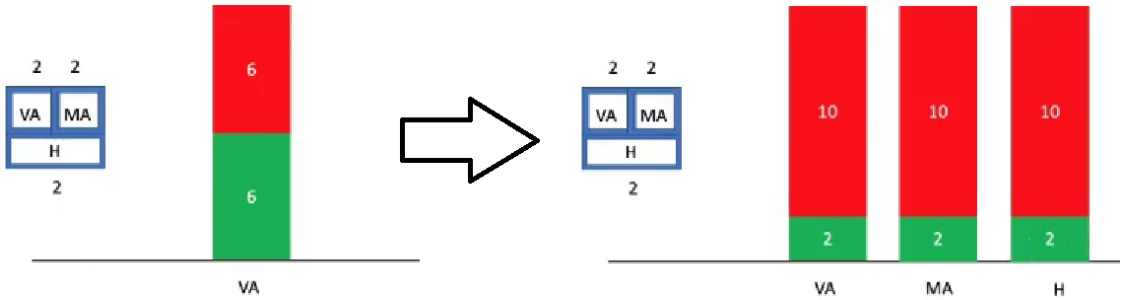
3. Immediate effects that the mechanical industry has on the worker.

a) *Appropriation of supplementary labor forces by capital. Female and child labor.*

We had been observing [...] the transformations that the worker undergoes with the development of machinery. And we had seen that machinery—which incorporates the tool as part of its mechanism—eliminates the physical strength of the person working, the strength with which the tool is applied to the object of labor. That need disappeared because the force is produced by the machine itself. Marx then demonstrates that the development of machinery allows for "[...] the employment of workers without muscular strength or without complete physical development," and therefore the labor of women and children becomes a general condition for the process of capital accumulation.

So, in contrast to what we were seeing before, that workers were being expelled from the production process, it now turns out that at the same time, the base of wage labor power is multiplied because the entire working-class family becomes a direct seller of labor power. The development that follows from this is: this has nothing to do with the increase in labor productivity itself, but it has the same effect of increasing the rate of surplus value for capital. Relative surplus value arose exclusively from the increase in productivity, and here there is a similar effect, which arises from the fact that now the value of the working-class family's labor power is distributed among all family members. I have a very simple diagram, but this point becomes immediately clear:

Relative surplus value due to the incorporation of the entire working-class family into the sale of FT[180]



Rate of $p = 6/6 = 100\%$ Rate of $p = 30/6 = 500\%$

Let us consider what appears in the development as Marx presents it, with a family structure that one may consider archaic today, but which comes at the origin of the capitalist mode of production and throughout its development as the structure of reproduction of the active labor power and of the future labor power, which would be this structure of an adult male (VA), an adult female (MA) and the children (H).

[180] I put slide 1 and the final slide together to illustrate all 4 slides in the smallest possible space.

Let's assume that the commodities necessary for an adult male to reproduce his labor power, his existence, amount to 2 hours and correspond to $2. The same applies to a female worker, and the same to their children. In the structure that Marx proposes for the origin of the capitalist mode of production, where the seller of labor power is the VA (Variable Value) because physical force is needed in the production process, the value of this VA's labor power is equivalent to the product, let's assume, of 6 hours of work, assuming a 12-hour workday and a 100% rate of surplus value.

But now, when all members of the working-class family become sellers of labor power (let's continue to assume that each still needs 2 units of labor power [181]to reproduce their lives), the value of the adult male's labor power now only has to cover the value of the commodities he himself will consume. The working day remains 12 hours, and now this adult male worker, not because labor productivity has changed but because the basis of who sells labor power in the working-class family has changed, will reproduce his labor power in 2 hours and will work 10 hours for free for capital, and the same goes for the wife and children of the working-class family. And now this working-class family produces $30 of surplus value, and the value of labor power now distributed among the entire working-class family is $6; therefore, the rate of surplus value has risen from 100% to 500%. This additional source of capital valorization has appeared.

Now it turns out that what was once the condition for the buying and selling of labor power—that the individual possessing that labor power be a free individual—is now the case that there are sellers of labor power who are not *fully free individuals,* or who cannot be, and therefore there is someone who will sell the labor power of these others who appear as new workers. I proposed that we now focus on the development of women's labor and what this implies about people who are *partially* free, not completely free, and how the transformations generated by the production of relative surplus value through the system of machinery are seen in the development of the capitalist mode of production.

[Alejandro comments that he doesn't quite agree with this comparison made between slavery and children, who appear from the very foundation of the personal bond as being sold by their father]

He sells it, but only for a period of time: he sells his labor power. The worker is no longer a free individual, the private owner of his own labor power. He is not in a relationship of personal dependence on the capitalist, but rather on the one to whom he sells his labor power.

I'll start with this. When one looks at the historical development of the capitalist mode of production (which we will see in the penultimate chapter, primitive accumulation), a series of figures will appear in the primitive, initial forms of the capitalist mode of production, which is full of male workers who are forced laborers: serfs, slaves, estate societies… There are even cases of forced laborers not

[181]Goods to consume worth $2.

due to personal dependence, but due to monetary ties: there is debt bondage, into which an individual who was free falls.

So, it's not that the capitalist mode of production was born into history with adult males as free individuals. But early in the development of the capitalist mode of production, because capital needs labor power with the productive attributes of a free individual, adult males of the working class—those of the capitalist class become fully free individuals—become free individuals, but *only* in terms of private legal relations; they are not free in terms of political relations. What one sees throughout the historical development of the working-class struggle (the classic example being England) in the mid-19th century, the struggle of the Chartists, is to lower the amount of wealth required to vote and to be a member of Parliament.

In Argentina, we have a commemorative image from May 22nd, and people want to know what it's about and who was in the town council. To be considered a resident, there were two conditions: either owning property or having some legal capacity… which wasn't even the case for slaves. The city's general workers weren't considered residents; they didn't have the capacity to participate in the open town hall meetings. We have another very telling example of how legal forms are transformed and how one has to look for the explanation in what is transforming within the material process of production. This is also a local reference, but it's assumed that all Argentinians have studied the 1813 Assembly that decreed the "freedom of wombs," meaning that everyone born to a slave became a free individual. With the peculiarity that until the age of 18, they remained in the family of their mother's masters—and therefore had to work for them—and at 18, male children were drafted into the army. In that same year—when we studied it, it was presented to us as the reign of liberty—there was something that no longer exists, but was called the "police edicts": the chief of police of the province of Buenos Aires issued an edict stating that any individual without an employer or property would be considered a vagrant and a ne'er-do-well, and therefore either given an employer or drafted into the army. What emerges is that this individual is not fully free, far from it, and is instead made a servant of a capitalist (primarily cattle ranchers).

Alejandro [Chat]: Did that attack the gauchos?

JIC: Alejandro's question is ambiguous, but… It's a form of forced labor. There's a process involved that has a whole series of implications. First, there's a shortage of labor, and this is how workers are forced into labor. Second, it's a frontier that's open to the Indigenous population, and so the frontierspeople, who could have been independent or subsistence farmers, are forced into labor for an agricultural capitalist. It's a time when the army is incorporating freed slaves; in many cases, the master donated them, and in others, the state bought them.

I want to clarify this: to my surprise—because I expected to find this in the 19th century—the Rural Labor Code of the province of Catamarca, if I remember correctly, still contains a clause of this type, stating that anyone without an employer is a vagrant (the terminology has changed). It's supposed to be

disregarded, but it remains in the code that governs labor. So, it's part of the overall structure of an advance on the frontier with the indigenous population, of incorporating that workforce, of using individuals who were producing for their own subsistence and then incorporating them into the wage-earning workforce. Therefore, I take these expressions as my starting point.

And the other thing we have is that in England, where for the first time working-class men became citizens, with what were called "political rights," that was going to happen in the mid-19th century. So, it's not simply that adult working-class men… […] [182] …unionization was legally prohibited, and that's also a transformation that was going to happen during the 19th century. For those who love Adam Smith so much, he criticizes the workers because he says they want to associate, which for him is an attack on the general welfare, but then he says that they always lose out because they are weaker: the employers do associate among themselves and the state supports them [for them it wasn't prohibited]. So he has a critique of the conditions of reproduction of the workforce—to put it mildly.

So, I'm putting all this in relation to what we're going to look at regarding women's paid labor, because it develops when adult working-class men appear as free individuals for private legal relations, and women don't. Therefore, the one who sells that labor power is the father if the woman is single, or the husband if she is married. And the expressions of this (it's always important for me to point them out), there are two or three that are very marked.

One example is the structure of religious wedding ceremonies, at least those I've witnessed, where the bride, considered the property of her father, is *given away* by him to her husband. This is the inherent symbolism that persists to this day. Another expression of this, which is now declining—at least in Argentina—but was once absolute, is the married surname, preceded by the possessive pronoun "de," indicating that this woman belongs to this man. I believe this is changing, but it happened with women of my generation; women who excelled in their fields (researchers, musicians, etc.) and who, perhaps at the start of their careers, became known directly by their husband's surname. They separated from their husbands at some point in their lives, yet continued to be recognized by their husband's surname, which appears as the abolition of the individual's personality, replaced by that of the husband.

So all these are concrete expressions that it is a process, where it comes from and how that type of personal dependency bond dissolves, where I point out one thing: the person who mediates their general social relationship through a bond of personal dependency (the case of the woman, where the man is the seller of labor power and the woman is not), is doubly alienated, because they have the alienation of the bond of personal dependency and also since the general bond that the other has of the general social relationship is an alienated bond, they suffer this double alienation.

[182]The recording cuts off for a few seconds.

The other example I'm going to use, which was also striking to me because it was produced by someone with a scientific mindset, is the following. In 1869, the first national population census was conducted in Argentina, and there was a person—I don't recall their name—who was the census director. Traditionally, the director would write a report summarizing and analyzing the results. The report examined the population, its distribution across the provinces, ages, prisoners, and the sick—particularly those with mental illnesses, but all illnesses were included—and then it reached the point where it analyzed labor. It analyzed the different sectors, and when it came to textiles and clothing, it found that a huge proportion, the vast majority, was female labor. This individual tried to draw a comparison here. One might think they would compare it to other sectors, to the male labor in this sector, to the total number of women in society... But the comparison they made was with the number of widows and orphans in society. Because for that individual, a woman who has a husband or father is not going to be present in the general work process, even though the production of textiles and dresses was already very present in these branches before the 19th century, during the colony - not yet in factories but there was a lot of work done at home, weavers who then sold to a commercial capitalist -.

What happens in this situation? Capital needs the labor of free individuals. And so, working-class women gradually become free individuals in private legal relations. Men were free in private relations, but not in public ones. But when women become free in private relations, men are already free in political relations, so the contrast continues to emerge. Women's labor expands... And I'm going to add something I should have added at the beginning.

Marx focuses on differences in physical strength. There's another determining factor at play here: the biological reproduction of labor power, of which women are the direct bearers. And capital needs the labor power to be reproduced rapidly, because in the case of England it was rapidly expanding. We have to consider that around 1820, life expectancy at birth for the English population was 30 years, and 15 years later it was 36 years, but those who reached the age of 10 had a life expectancy of 50 years (we saw this in manufacturing). So, the need to replenish the labor power is very high, and that limits the use of female labor. And one of the phenomena (which Marx doesn't present in *Capital)* is that the "natural" lifespan of individuals is lengthening and infant mortality is decreasing. This also frees women up as sellers of their labor power.

The succinct expression of the role of biological reproduction is that image that appeared in shipwrecks, and which continues to appear in catastrophic situations: "Women and children first." This is because they are the ones who guarantee biological reproduction or who have the prospect of a longer natural lifespan. The other point I want to emphasize is that it's not as if there was no female labor at the beginning of the capitalist mode of production. There are some classic examples in the mines, where the coal is brought in by the men because only one can handle the pickaxe, and he is the one with the most physical strength. But the coal is hauled in wagons by a number of women and children, because there they can combine their labor.

Since capital needs *fully* free individuals, the perspective of women becoming free subjects in political relations is increasingly developing, as seen in the cases of the US, the USSR, and England. But there will be a very powerful factor driving the sustained development of this transformation: World War II. Because men are on the front lines as combatants, the women who are generally present are not; they are in medical service and so on, because it is a war that requires physical strength, and each national society tries not to risk the biological reproduction of its population. And so, women have to replace men in the factory workforce. There is a significant expansion of women's labor (I know of some other examples in the case of the US; I don't know if there were more female combatants in the USSR [183]). And after the war, there is an attempt, a process, to withdraw women from the factories and return them to domestic work, and there is a policy of the US state of what is called the "feminization of women." And one of the processes that occurs with the end of the war, linked to it and to the subsequent transformations that also limit the incorporation of women into the general work process, which is what is called the *baby boom* (of which I am a product), there is a strong recovery of birth rates and so on.

But there's no turning back now in this process, and a very significant moment in this transformation occurred in countries that had experienced significant losses of male population: January 1, 1948, when women in France, Italy, and Germany gained full citizenship. The same happened in Argentina with the 1949 Constitution. So, we have these transformations, which, if we look at them today, are far from having taken place in some human societies—in some, they have even regressed significantly. One of the most marked examples is in the countries of North Africa and the so-called Middle East, where the so-called "national liberation" struggles of the 1950s and 70s saw women playing a central role; many were leaders in these secular movements. And in those societies, this relationship has been reversed, and women are once again subjected to the personal dominance of men, alongside a strong expansion of religious consciousness.

So, this doesn't happen simply or linearly; rather, it unfolds. And I always point this out: when you look at it as a historical development, it occurs at an incomparable speed relative to the lifespan of humanity, because it unfolds over 200 years, and humanity has existed for 2 or 3 million years. For the individual subjected to the mutilation of their person through relationships of personal dependency, it's an eternity; it seems like a process that will never be completed. Therefore, one must always consider it with this dual perspective: how it appears as a historical process and how it appears to the individual within that process, the one whose condition as a fully free individual is mutilated.

Alejandro: A concrete example of this contrast—men appearing as free individuals for political relations while women did not—is that men could vote in some national arenas, but women could not. And from there… the entire suffragist movement of the early 19th and late 20th centuries. I was struck when Marx mentioned that women were “naturally” emotionally attached to their children, and this whole movement that dissolved those bonds, and the child who still grows

[183] Alexander mentions Liudmila Pavlichenko.

up under those conditions, unable to sell their labor, can be vulnerable through neglect, inadequate nutrition, or even drugs… It makes me wonder if what actually caused these children to fall into that situation was women selling their labor. In fact, he presents this study by Dr. Simon, who appears to be against that movement, and I understand that he personifies the need for mothers to stay at home to continue with that biological reproduction beyond giving birth: care, feeding… And here the movement of capital appears contradictory to me: it advances in the dissolution of that bond, but it seems as if at this time when Marx was writing, infant mortality was quite serious and it was necessary that at least until the child was mature, the mother be present at home.

JIC: This is what is characteristic of the capitalist mode of production: everything is at the expense of the working class. We must also consider the specific historical moment when the workday was 14-16 hours long, under miserable conditions, and with a " real wage" capacity that was... nonexistent: bread or potatoes were the main food source for working-class families. To the point that all of us who have gone through economics training have had to study "Giffen commodities," which uses bread or potatoes as an example, and states that when one of these commodities becomes more expensive, its consumption decreases, and when it becomes cheaper, it increases. And Giffen observes that when bread becomes more expensive, the consumption of bread by the working population increases. And what is happening behind this phenomenon is that wages are so meager that when the price of bread rises, they are only enough to buy bread. And when bread becomes cheaper, a small amount of wages is freed up to buy other foods to improve nutrition.

Then this behavior appears… Neoclassical economists enjoy playing with it and spending hours analyzing how the curves and relationships move, instead of asking why the working-class population did what Giffen observed. And I always wonder if, in societies like Argentina, there aren't consumption patterns like yerba mate tea and the flour and lard used to make fried cakes that don't follow that price-related structure. I've never managed to convince an economist to look into whether this happens or not, but it's quite possible that it does.

Alejandro [Chat]: And the bread of England at that time came mixed with anything, as Marx pointed out, if I remember correctly, in chapter VIII.

JIC: Yes, the bread was anything but… it had the least amount of flour possible.

The second issue (there will be three) is that the dissolution of bonds of personal dependence is a development that moves toward universality and undifferentiation, and at the same time, for the individual experiencing it, it is a rupture because they have lost one of their bonds. I'll consider the other extreme of this relationship: in the 19th and throughout the 20th centuries (and there are still societies where this is the case), families consisted of five or six children. Some died along the way, but when the parents grew old, one of the children took care of them, and the "affective" bond was maintained as a personal connection.

What awaits my generation (who have behaved this way with our parents)? What awaits us is the nursing home, which represents the dissolution of a personal bond and the development of a general social relationship because it involves the buying and selling of commodities. And then there's this situation where… It's not a phenomenon where we're moving in this direction and nothing happens to the bonds of personal dependence; it depends on the case, but there are forms of personal dependence that imply this: the individual has lost a part of their personhood and replaced it with an impersonal bond. So, it's this ongoing contradiction.

That's the second point I wanted to raise. In the *Grundrisse, Marx* makes this observation about the historical role of the capitalist mode of production: to generate a society of individuals with universal capacities and needs. And this is the dissolution of bonds of personal dependence, and therefore all these movements are an expression of the advance toward the production of universal individuals, because bonds of personal dependence are inherently petty. If I have this bond with one person, then it's not the same as with another person with whom I don't have it. In a relationship of universality, all bonds become indifferent to whether it's this person or another.

The third thing one must consider when reading Marx's work is the specific nature of his era, and not just the general characteristics of that era, but those of a doctor of philosophy (or law, it seems to me) [184]. One must consider who this individual is and his enormous capacity to rise *above his limitations,* through all that he produces with his actions, but one must not forget who he is. There is an episode in Marx's life that is very telling of this (I believe I already mentioned it), which I think is when Engels's partner dies, and Marx responds by asking for money for piano lessons for one of his daughters. Because this individual's conception of what a young lady, being the daughter of a doctor, does is study piano. Therefore, one cannot judge this individual by today's standards because it is absurd.

There's a strong tendency today to judge everything as if it were happening today… What we really need to look at is his capacity, given his circumstances, to rise above them and accomplish what he did: he objectified the alienated consciousness of the working class as a free subject that recognizes its own power to overcome the capitalist mode of production. Today, Marx's texts wouldn't be accepted in academia because they would be considered aggressive and insulting. It's a political discussion. So, we need to keep this in mind when we're looking at this person.

And I bring this up now because otherwise I'll forget: this dissolution of bonds of personal dependence also occurs with respect to children. I raised this point with adult children, but… with children in relation to their parents, the relationship is reversed. Because they are not free individuals, they are subject to personal authority because they have not yet developed the full attributes that allow them to act as free individuals, and yet, the relationship increasingly appears mediated

[184]Marx left law for philosophy and earned his doctorate with his thesis on Democritus and Epicurus.

by impersonal, legal bonds: the rights of children, as if they were already by nature free individuals bearing the general social relationship with respect to their personal bonds.

I remember an expression that predates me, but I find it very telling. When one boy hit another, the boy's response was: "Why are you hitting me? I have a father and mother who can hit me." Today, when you hear that, you think: "Poor kid, how awful that the child sees himself as the target of his parents' beatings." But it's part of the transformation of the relationship, because a child like that would never dream of hitting back in any way.

Unless someone wants to raise something, I'm going to give a "violent" summary of the development so far.

Ivan: I got a little lost in your explanation, but, as a legal person, when does a woman acquire rights over her possessions and her person?

JIC: In Argentina, I'm not sure, and in England… I don't know, we'd have to look at the legislation, but I suppose that by Marx's time there was already quite a bit of that development. But one of its expressions is when a woman can be the private owner of something (beyond herself). I'm not sure. Even in relationships, how far does it extend in personal ties… Because the historical legal figure in Argentina ("historical" means when I studied) was "Father, guardian, or caretaker," the female figure didn't appear as being able to have parental authority over children. And there was the figure of marriage, where the husband had the administration of the wife's property. This must have happened in many stages, including many informal ones, which would have resulted in the widow or orphan woman having to sell her labor because she had no one to sell it to… It must have been gradually dissolved through legally informal processes for a long time, and only very late under the figure of direct regulation by the state. It is clear that when they become citizens it is because they already have the status of free subjects for private legal relations.

Javiera: In a quick internet search, in 1918 in England.

JIC: Do they become citizens?

Alejandro: The vote. But in the French Revolution, the "Rights of Man" included women as legal subjects, didn't they?

JIC: When the Rights of Man appeared… As a banner, let's say, they appeared generically, in general terms. I know very little about the subject, but immediately after the Revolution there was a very strong setback, even with the Napoleonic Empire and everything; they were already referring to the rights of man and not of human beings. But it would be necessary to study it carefully to see what happened with that situation. And women weren't granted citizenship until 1948. In the USSR, I think it was in 1918, and in the US, I believe it was also around that time.

[Iván copies this text about women's suffrage in Argentina in the chat:]

> September 14, 1926: Law 11,357 on women's civil rights was enacted, reforming the Civil Code and recognizing the right of all women of legal age, regardless of their marital status, to exercise their civil rights and functions. It was promulgated on September 22 of the same year. […] This law expanded women's capacity in relation to parental authority, administration and disposal of their own property, and the community property regime in marriage.

Javiera: At the beginning of this section, [Marx] says something that raised some doubts for me:

> Forced labor for the benefit of capital not only took the place of children's play, but also that of free labor in the domestic sphere carried out within an ethical framework for the family itself.

What does he mean by the latter, "free labor"?

JIC: It's not clear to me; I'd have to look at it within its full context. Because at first, I thought it might refer to working from home, but that's clearly not it.

Javiera: To me it sounds like the woman at that moment does not participate in the private legal relationship, but in the domestic circle that work would be "free".

JIC: That doesn't ring a bell. Which edition do you have ? If you're patient, I'll look for it.

Javiera: Fazio's [185].

JIC: Let's see, because they've translated it differently here... Here it says:

> Forced labor in the service of the capitalist came to invade and usurp not only the place reserved for children's games, but also the place of free labor within the domestic sphere, and to break with moral barriers, invading the orbit reserved even for the home itself.[186]

If I have to look at it, I mean, calling it "free labor" within the domestic sphere… "Not forced" would appear in contrast to forced labor; in that sense, the term "free" would be true. And the idea of "moral barriers" also raises doubts for me, because morality is a form of social relationship that evolves alongside the transformations of social relations: it wasn't "immoral" for parents to beat their children; it doesn't appear as a matter of morality. Because, like ethics, it appears associated with what one ought to be. And family relationships in these societies were far from being relationships of mutual respect: violence was very prominent. So I would have reservations. Regarding morality, you're commenting on Dr. Smith. The problem with this approach is that it depends on what one means by morality. If what appears as moral are certain conditions of life's development, such as learning to cook or having time to breastfeed children at home… if we start from the premise that this is "moral," good, a natural order that capital comes to destroy.

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[185]Cristián Fazio, from the Progreso publishing house.

[186]Marx, K. (1977: 324), *Capital,* Volume 1. Mexico City: FCE.

Now, the reference to what this transformation would entail is somewhat abstract, as is the concept of “free labor within the home.” I would contrast it with forced labor in the factory, but I don't know if that's what he's referring to or not.

Javiera: If you contrast it with forced labor in the factory, it also raises doubts for me. Because if you put it in the context of the countryside, of rural work within the domestic sphere, it involves the work of the elderly and children, and it could be considered "free" labor. And that's where I connect it to what she says later, that capital is by nature a leveler that demands in all spheres "as one of its inherent rights, equality of the conditions of [exploitation?] of labor; the legal restriction of child labor in one industrial sector becomes the cause of its limitation in others." There, I wanted to suggest that this is a leveling process, and it may occur in some sectors, but that, while it is regulated, in the agricultural sector it seems to deviate from the norm in several ways, even to this day. Because in several footnotes she says: well, if this was the case in the factory, imagine what rural labor was like.

JIC: Yes. I find it interesting that in your translation it's used as "ethical" and here as "moral." I don't know about the 21st century version…

Alejandro: Appears as “[…] within decent limits”.

JIC: Right, that's a closer approximation. It's like a reference to what would be normal or natural. But we'd have to see which word he's using.

Looking at this development up to this point, one might conclude that working-class women owe their status as free individuals to the development of relative surplus value through machinery. And that is strictly true. But in reality, working-class men also have to say the same. However, if one were to say this, one would be abstracting the content and forgetting the form these transformations take. And the form these transformations take is determined by who the immediate agents are, and how this transformation unfolds through their actions. The first thing to consider here is that the immediate agents are working-class women. To clarify: women of the capitalist class were also agents of these transformations, and in some cases, they appear at the forefront of them. But the primary agents of this are working-class women.

What happens when the presence of women selling their labor power begins to expand from the perspective of male workers? The availability of labor power for capital multiplies. A new competitor emerges who, due to their specific history, is weaker in their relationship with capital: they are just starting out in a process that adult male workers have already gone through. It is well known that a weaker competitor is the one on whom the violence of capital will fall most acutely. Therefore, the reaction among adult men is: a weaker competitor has appeared who is disrupting the conditions for selling labor power, so it's best if they leave.

In the text of *Capital,* certain things sometimes appear (not in those exact terms), the expression that women have their place in the home. And there's an expression in Argentina that encapsulates this competition, which is what a man

usually says to a woman in a traffic accident: " Go wash the dishes." What is he saying? The context of the accident is that of general circulation, of general social relations. Dishes are washed at home, which is the realm of personal dependency. So he's saying: the realm of general social relations is mine, and yours is that of personal dependency. But working-class men find themselves having to compete with this weaker subject, and to avoid being defeated in this competition, they have to establish relationships of solidarity with this other subject who is expanding. Therefore, it's symptomatic that working-class political movements (historically, socialist, communist, and anarchist parties) strongly advocated for private and public legal rights for women. But it is especially working-class women who are the bearers of this action from which it arises; they are shaping the need of the total capital of society to turn them into undifferentiated subjects, from subjects of personal dependence bonds to free subjects of political relations.

It's not a problem of abstract equality, it's a problem of indifference. Marx makes the reference (more so in the *Grundrisse than in Capital)* to why the image of equality, and of natural equality in the capitalist mode of production, persists: because equivalents are exchanged, it seems that the relationship is reflected in a relationship between equals. And in reality, no two individuals are equal. What's at stake in this development of universality is that every attribute of the individual that doesn't pertain to the relationship itself in which they will participate becomes irrelevant with respect to the organization and development of that action, that all difference is erased in universality. What we have, then, is a process of political struggle, particularly among working-class women, that is advancing, and when one looks at Argentina (and generally at the world and other Latin American countries), one finds evidence that it is far from having reached the fullness of indifference, even though it has progressed in recent decades. I'll take two expressions of this that relate to the condition of being a political subject.

The first point has a general scope. The fact that Argentina (I don't know about other countries) has a "women's quota" for legislative representation and so on, shows that there is no indifference. If there were, the quota wouldn't be necessary, because even in Argentina, where women outnumber men, individuals would emerge regardless of gender to express that political representation. The quota, which is the result of a long struggle, starts as one - third and ends up being 50/50, which, in a population that isn't 50/50, implies a restriction.

And there's another symptom that's specifically Argentinian (it might be worse in other Latin American countries). When you look at the history of women who have been central figures in the development of Argentina's political scene, they're either known by their husband's name or with the possessive pronoun "de," and Alicia Moreau "de Justo" appears on street signs in an area where all the streets are named after women.

Daiana: The streets are in the most expensive neighborhood, with the highest real estate speculation in the city of Buenos Aires.

JIC: And another example is Eva Perón, or “Eva Duarte de Perón,” etc. Another aspect is the use of first names, which signifies personal connections. This has

largely dissolved now, and I understand that in other societies like Brazil, it was even more prevalent. Another is the use of diminutives, which is also a stronger expression of personal ties. And in Argentina, there's Evita, there's Isabelita… and there's Cristina. That distinction persists. I remember a newspaper headline that said: "Cristina meets with Obama." And also in Argentina, where this usage wasn't historically common, for men… It's part of the transformation of political relations, where the status of citizen, inherent to the free individual within the capitalist mode of production, is being reduced to the status of neighbor. This belongs to feudal society; one was a neighbor in the village. The French Revolution erased that status of neighbor.

[…] A surname is what represents one in general social relationships, but since it seems that family ties in politics are now becoming an advantage… In Argentina, where this didn't exist, Perón was always Perón, never Juan Domingo. But now there are men who are starting to use this, and for me, it was telling when someone became president and started calling himself Mauricio, Mauri, Mau… Another Argentine politician highlighted this by saying: we must never forget that Mauricio is Macri (the problem is that this was said by an Argentine politician who liked to be called Néstor instead of Kirchner).

In this, one recognizes that there is no indifference; that link is not developed, that it is irrelevant to political relations which gender an individual belongs to: they are a political subject, that is essentially what they are. Throughout this transformation, a biological difference persists—at least until now — which is who carries the reproductive process, the gestation of the new individual. And that, from the point of view of general social relations, is a disadvantage for women in the competition as sellers of labor power. Until human reproduction develops outside the body, this differentiation is present. Therefore, it cannot be eliminated as a biological difference: it can only be eliminated as a social difference, with respect to the organization of work. And one of the ways to eliminate that difference is through equal maternity and paternity leave.

So, from the perspective of selling labor power, men have an advantage. It's a misfortune to have it, because when my children were born, I only had one day of paternity leave to go to the civil registry and register the baby, but it's an advantage nonetheless. From capital's perspective, no one is irreplaceable, but keeping a worker who is continuously available, or having a female worker who will have to interrupt her participation in the work process due to maternity leave, is a competitive disadvantage. Therefore, the lack of differentiation in this regard is the basis of the equal leave movement, which was already developing in some countries in the 1970s: Sweden had equal leave (if I remember correctly, it was six months), and in Argentina, it is developing very slowly for the segment of the workforce that sells its labor under what are nominally "normal conditions" (we'll see later what "normal" means here).

[Alejandro asks (**1**) about the relationship between this lack of differentiation and the abolition of gender and (**2**) whether we are very far from that scientific regulation of biological reproduction].

[1] There are several things to consider here. With the transformations arising from the development of machinery in large-scale industry, what was hinted at when I compared life expectancy between 1820 and 1835 is now much more pronounced. To reiterate: with enormous differences in various areas—in some places today, people are lucky to live 30 years—one cannot abstractly universalize this, but in general terms, individual life has been substantially extended. The second point is that infant mortality has declined markedly, which means that replacement… Apart from… It's not relevant at this point, but there are masses of working-class people available in what Marx observed regarding the development of machinery, which also means that labor power is available without resorting to biological reproduction (and later we will see what happens with the biological reproduction of the surplus population).

For a certain segment of the working class, their participation in the process of biological reproduction is extremely limited: compared to families that once had six, seven, or ten children, they have one or two at most. Consequently, the role of biological difference becomes—I'm not sure if these are the right terms—a secondary concern, and so does gender difference. And indeed, what stems from biological difference is erased from the overall life process. The question that remains is why the structure of the so-called "nuclear" family persists (I'm only mentioning this, I won't elaborate) when its rationale largely arose from two things: the process of biological reproduction itself and the process of producing the individual once born, until they were able to sell their labor power (in the case of the working class). Why, if these functions are fulfilled in a much more diminished way, does the nuclear family, consisting of two people living "separately" from others, persist? What function does this serve from the perspective of capital, and why is it determined this way? I have no answer beyond…

Alejandro: The easy answer in Argentina is because one person alone can't afford to pay the rent [Laughter].

JIC: Here's the irony of rental prices… Renting a place for five people can be cheaper than renting one for two, because there's only one kitchen, one bathroom… That's relative. It's true that there's an expansion of what are called " single-person " households or something like that. But why doesn't the bond of personal dependence that comes with living as a couple fully dissolve?

[2] The other aspect is biological reproduction. Sexual reproduction has a potential that asexual reproduction lacks. It combines the genes of two different individuals, which gives that species the capacity to transform itself. If reproduction didn't have this characteristic… When they breed sheep [187], that sheep only has the traits of one lineage, weakening its capacity to transform and develop. On the one hand, if there's a reproductive process without direct human intervention, one would have to think that it can only be surpassed by a process that simulates sexual reproduction. I think that's far from being the case with cloning… but even in cloning, the embryo's gestation process, the fetus, was inside

[187] Reference to the cloning of Dolly the sheep.

an ordinary sheep. The same thing happens with surrogacy in humans. Now, that doesn't change the fact that gestation has to be inside a human body. [Alejandro clarifies that he was not referring to cloning, but to the development of the fetus outside a woman's body [188]].

I'd like to add another point related to the history of the nuclear family. Since human beings are living beings who take a long time to develop—relatively speaking—their full potential, precisely because their potential lies in the ability to work, not simply as an animalistic process of transforming the environment, they require considerable attention over a long period. And since there was no education outside the family sphere, the family fulfilled that role. As the roles of that family bond dissolve, because there are fewer children and education is no longer solely in the hands of the family, but rather essentially a general "social" process, not within the realm of personal dependency, why does the need for immediate personal connection persist? I suppose it's part of the process that is dissolving.

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[188]They could have brought up the topic of artificial wombs.

[II][189]

[Ivan speaks of a work by Pashukanis where "(...) morality appears as a relationship more or less linked to the production of commodities insofar as the individual has to see the other as free and equal as himself, and he associates this with something characteristic of capitalist societies, but it caught his attention that in a fairly extensive phase of the capitalist mode of production women were not recognizable as free and equal. What is the content of morality when it comes to the relationship between a free individual and an unfree woman? Pashukanis links it to hypocrisy, but it bothered me a bit."]

JIC: I would say it's not hypocrisy. That would be inconsistent after having presented morality as a relationship inherent to the capitalist mode of production; it would be as if morality were natural and morality were being violated. I would say that, insofar as the condition of being a free individual is not recognized for any subject as such, and we see how the bonds of personal dependence are dissolving even where they exist, and the appearance is presented that these are bonds between free individuals (when at the same time they are not)... This is very evident with children's rights, which is to pretend that these people are not free individuals because they are not recognized as having the possibility of buying and selling commodities—a contract signed by a minor is legally considered "non-signed," it doesn't exist—however, in general terms but when applied within the personal bond, it appears as a relationship between free individuals who have even conflicting rights.

One could say it's hypocrisy because the appearance is that freedom is proclaimed, yet personal differences arise. More than hypocrisy, it's that it's not recognized as a relationship between equals. Throughout that period you were referring to, women weren't recognized as equals, and therefore morality doesn't enter into the relationship; it's a relationship of personal dependence. In the concrete movement, in practice, it's not a bond between free individuals. And often it appears as a need to protect this individual because they don't have the attributes of a free individual, so they must be "sheltered" and "protected," which can mean *hitting them* whenever the individual saying this feels like it. But in reality, morality doesn't govern that relationship. Thinking about it in relation to what I was saying last time about religious marriages, it's not seen as hypocrisy; it's seen as the custom. For the ideological justification of that relationship, it's not offensive; it's an expression of strictly paternal affection toward the daughter.

When one looks at the general social relationship, for those who are directly part of it—because those who aren't aren't recognized as free individuals—there's no room for any kind of personal differentiation; all personal attributes are erased. So, to justify differences, one has to introduce something that appears as a personal attribute, like skin color or the type of work one does, and which appears irrational within the general social relationship. But only through this can a difference be justified. And so, the individual who is starving is considered lazy: it's a personal attribute, not the relationship itself. And all of this, in contrast to the naturalization

[189]In this session we move on to the issue of child labor.

of the free individual, is seen as unnatural from the perspective of free individuals. Racism appears as an aberration because it introduces a personal attribute to justify differentiation. Now, one can't reduce this to a matter of hypocrisy. In order to deny equality to someone who actually appears to be equal, it's necessary to appeal to a natural differentiation, which clashes with the universal conception that there are no natural differences. I don't know what explanations the racists will give, because they'll say there's a natural difference. I don't know if there's anything to the hypocrisy thing Marx said about everything being bought and sold, even morality, although I would say that what's bought is the immoral act.

Ivan: What I'm left with then is that morality doesn't appear in those bonds of personal dependence.

JIC: Morality doesn't mediate. They are mediated by the specific bond within the specific historical conditions, which can involve various things. What one must consider, however, is that these personal bonds increasingly take the form of bonds between free individuals, where morality emerges: it is immoral to hit one's children. Because what happens is that the general social bond appears universalized, even in relation to individuals who are not free at the time. And this arises with the development of the capitalist mode of production, where it even extends to the relationships between human beings and animals; animal rights emerge. Animals are not free individuals, producers of commodities, and yet the relationship between a human being and an animal begins to take the form of a relationship between two free individuals.

What follows in this development is the issue of child labor. Essentially, it raises the possibility of exploiting the labor power of an individual whose body is not yet fully developed enough to be a complete bearer of the productive forces of labor at that historical moment, and who is directly incorporated into the production process. Capital "pounces" on this labor power and puts it to work with all the brutality inherent in the capitalist mode of production. There is an individual who will never be truly free in their present condition because they cannot enter into the legal relationship of buyer and seller of a commodity; therefore, the sale of their labor power will *always* be mediated by their personal dependence on the one who sells it. What will happen in this process? Capital will begin to clash with this very exploitation. We again have the total capital of society, with the state as its political representative, and later Marx will outline the concrete form this takes, which is the struggle of the working class to restrict child labor. And a dual need of capital will emerge with respect to the restriction of child labor.

The first need arises from the premature exhaustion of child labor. When workers who have started working at the age of 3 or 4 reach the point where they would have attained the full potential of their productive capacity, their labor power is already depleted. And capital clashes with this depletion, depriving itself of having access to a workforce with its full productive capacity. This is where Marx will refer to the issue of "human rights"—the right not to be exploited prematurely. In any case, the first law restricting child labor, from 1833 if I remember correctly, will appear in the discussion, but it was never implemented.

And Marx will refer to another law from 1842 or 1844, restricting child and female labor, which is the first law that will be effectively applied.

The second need of capital will have to do with the very materiality of the labor process. While labor is manual, the productive skills, knowledge, and awareness necessary to perform it can only be acquired through work. And when we look at manual labor, Marx's reference to the individual bound to a partial task for life comes to mind. With the development of machinery, one can no longer learn to work by working; the materiality of labor no longer depends on the practical knowledge acquired by the individual through manual labor. Now, workers need to enter the labor process already possessing certain general productive attributes. Let's examine this further.

The future worker begins developing their workforce within the limited confines of the family. And the skill they will need to develop in the production process, with its machinery and the specific circumstances of their work within that process, is the ability to cooperate with a collective workforce comprised of a number of individuals. Therefore, the first thing they must learn is how to work collectively.

The other determining factor here regarding the need to have learned certain general skills will be the acceleration of technological change, where—to put it in the terms used in *Capital*—the worker will no longer be tied for life to a specific, partial task. Now, the worker will enter the production process and, throughout their life, will find that the technical conditions of production change substantially, and that the branch they entered may no longer exist, forcing them to move to a new one. What the total capital of society requires is a worker with *certain* universal skills that allow them the flexibility to cope with changing technical conditions, to be able to shift more or less fluidly from one to another. And this flexibility is obtained through knowledge, through the process of formal education.

One has cursed having to study certain things that held no interest for them whatsoever during their education. The goal is to produce an individual with a certain degree of universality. And the greater this universality, the less alien the environment in which they will have to operate will be. An individual who only knows a partial job, when removed from that job, finds the rest of the world foreign. An individual with a certain degree of universality moves into another field, and although it may not be as familiar, it is not entirely alien. This is acquired through the extension of formal education. Therefore, it's not simply that capital is prematurely eliminating the future workforce, but also that, due to the material nature of labor, workers need to undergo educational training before entering the actual production process. And the more technological change accelerates and the more universality is demanded of the worker, the more time they need to spend developing their productive subjectivity within this formal education process.

To put it more simply: what's the first thing one learns when starting school? That they have to be part of a collective work process, which involves a set schedule, and that someone coordinates this collective work process and has the authority, the power to control it. And that's the learning process for developing

the skills to work in a large-scale factory. Added to this is the requirement that the worker possess these relatively universal skills, and consequently, remain in the educational process longer. All of this discourages the early incorporation of child labor into the production process.

And there Marx will argue that capital is "egalitarian" by nature, and that when restrictions on child labor are placed in one sector, the capitalists in that sector will demand that the restrictions be applied to all other sectors of production: they demand equal rights to exploitation, which is morally wrong. When Marx makes this observation about the 1833 law, what he will highlight is the argument presented by capitalists as to why this restriction on child labor is inadmissible. The argument is that children work as assistants to adults, who need them because they work 16 hours a day. And it is very notable in that law that the limitation on the use of child labor states that they cannot be in the factory for more than 14 hours a day or work more than 12 hours. And this appears as a restriction on the number of hours worked, and the capitalists' argument refers to an even longer workday than what is being regulated. [...] in the contradictory nature of the capitalist mode of production, it prematurely annihilates the labor force while it can, and only stops doing so when it threatens its own self-valorization.

What does neoclassical economics (we're bound to start talking about this with Milei at any moment, because they say the same thing about other issues) argue regarding the prohibition of child labor? I always refer to something that is public knowledge and well-known in neoclassical economics concerning the existence of unemployment insurance, which in Argentina was used as an argument in the 1990s for labor market deregulation and is still being used today. This argument actually reduces social welfare because, by definition, maximizing social welfare means that no one can improve their total utility (have more commodities available) without reducing the total welfare of other members of society (Pareto optimality). Therefore, it argues that the individual who receives unemployment insurance maximizes their leisure time because they are not working, and at the same time, they have an income without sacrificing leisure time to obtain it. But since the money to be given as unemployment insurance has to come from somewhere, there is someone else whose total welfare has decreased because that portion was taken away to cover the insurance. This argument was used in parliamentary discussions on the subject and is used with respect to severance pay.

But neoclassical economics rarely expresses its opinion on child labor. In 2001, I did a paper for UNICEF that they had asked me to write about the discussions regarding the causes of child labor [190], and the UNICEF official who commissioned it wanted to discuss it with neoclassical economists, and those economists at UNICEF who were neoclassical. So I started looking for the fundamentals online at that time, and it was impossible to find any reference to child labor. I consulted an encyclopedia on labor economics, I think it was eight volumes from an American university. And not a single word appeared. Finally, I found a paper by two authors (I don't even bother to remember them) who argued this: the leisure time of children from poor families (because for neoclassical economics there are no

[190] Later published as *Child Labour and Capital.*

workers, there are only "poor people," it's a state of nature) is a luxury good for poor families. Because they don't have enough to eat, and the children's "leisure" (that's what they call going to school) has very low marginal utility compared to the income the child could earn. Therefore, prohibiting child labor (and they say it in these words) *reduces* the well-being of poor families because it forces them to consume something that is a luxury good for them and deprives them of consuming "basic" commodities.

It's utterly despicable to call it that, to say children are in school instead of working, but even more so because no one has ever seen an idle child. Therefore, child labor is a problem, a decision of the poor family, not of the capitalist mode of production. And to complete this despicable act, they take it a step further. There are two utility functions: that of the child and that of the family (personified by the parents). And then there are altruistic parents who prefer to sacrifice the well-being of the family to benefit that of their children and send them to school, and selfish parents who prefer to maximize the well-being of the family at the expense of minimizing that of their children, and send them to work. Then you look at two individuals... It was a time when the academic situation in the US was more comfortable than it is now, but still... They were surely both PhDs in economics. How can anyone be so despicable as to write an argument like that? To quote Serrat: there's something personal between those guys and me; it seems to me a matter of absolute personal despicability.

Daiana: In what we were talking about, are leisure and education the same thing?

JIC: For neoclassical economics, yes. If you construct a neoclassical economic model, you have to reach that conclusion. And that's what you have as ideological production, and that's what's used—I'm using the layoff example because there's concrete experience of it. We have to remember that in the city of Buenos Aires, it was proposed that instead of having the opportunity to advance in the development of formal education, what high school students have to do is attend classes to see how things are done, and do internships at McDonald's (I suppose to see how hamburgers are made, because there's not much more they can do...). And on television, you heard a man complaining about the misfortune of not being able to hire minors because in Argentina, working for children under 16 is illegal. He felt sorry for them, because he wanted to and was willing to give them jobs, but with this legislation, he couldn't. So, this is part of the practical consciousness of the capitalist class. In a society where the conditions for the reproduction and production of the workforce are deteriorating, these statements appear starkly.

There's a contrast to this that we should look at now in the US. I have an article I found for this paper from an American business magazine (I don't remember if it was *BusinessWeek)*, which questioned whether an 18-year-old high school graduate entering the workforce would constitute child labor. We'll look at why later; Marx's concept is limited to primary education, and that's about it, but it has since evolved into much longer processes. The point he made was that if an 18-year-old high school graduate, who may have had some work beforehand, like delivering newspapers—the typical American image —or a summer job, is going to

start a regular 8-hour workday, they won't be able to continue developing their productive skills through a university education.

Then it begins to emerge that the condition for the full development of the productive attributes of the workforce includes university education. And it appears in that journal expressing a need for the total capital of society within that national space. When Tony Blair's Labour government (at least nominally) was in power in England, the project for universities was that 50% of the population would have completed university studies. Later, that goal disappeared, and access to university became increasingly restricted, but this illustrates what happens with the transformations in the definition of a worker.

[Iván asks what neoclassical economists think of as "childhood," if it even exists for them. And another question is what the UNICEF economists thought when they read his book on child labor.]

JIC: I'll answer your second question because it's easier: there was no resolution because this technician was fired. The work was divided into two parts. First, she had to prepare this whole report… She was a sociologist who had a problem, which was… What's the explanation given for why there's child labor? Because there aren't any schools. So they build schools, and the children keep going to work. Then they said it's because there are alternative jobs, and so the production process has to be removed from that location. They remove it, and now the children go to work even further away. Then they say it's because the parents don't realize the importance of their children going to school. And then we launch a campaign to raise awareness among parents about the importance of education. And they keep going to work. Then she said: all explanations end up… I want an explanation that goes beyond what we're seeing, to discuss with the UNICEF economists. This was at the end of 2001, and the discussion was supposed to take place in March, but it didn't because she had been fired. I considered the work with UNICEF dead and published that work as a book, with the development.

Ivan: Were you thinking about that problem for a specific country or region, or was it general?

JIC: They were clear that it was a widespread problem, that they had no explanation for why it was impossible to eradicate child labor in certain places. Since it was intended to be discussed with economists, who aren't like these two... except for those who have the ideological role of defending the lack of unemployment benefits, lower wages... Economists, in general, are technicians who handle a number of things, and their theoretical training is something that's more or less nebulous.

So what I did was the same thing we're doing here: starting with the simplest determinations and gradually moving on to the specifics of child labor until I arrived at another... I used the findings of another study I had done on cotton production in the Chaco region [191], showing that in the history of cotton production

[191]Iñigo Carrera, J. (2000), "Cotton production in Northeast Argentina and its prospects in the international market". Federal Investment Council.

(by then it had already been replaced by other methods), manual harvesting was sustained by child labor. That if it was necessary to hire children, even with the meager wages and productivity of an adult, compared to what the presence of child labor implied—children who didn't have their own wages, who contributed to the adult's production— that without child labor, capital could not be valorized. And also analyzing, if I remember correctly, something about how even so, manual labor was being displaced by the incorporation of machinery. That in seventy pages, very condensed, but the idea was not to include the extraction of surplus value (I changed some things when I published it) so that economists wouldn't be alarmed and have to argue about it. But it was still useless.

Daiana: That case includes exploitation, massacres too…

JIC: The history and the present of that is… It's more visible now because of the Napalpí massacre trial, in which my brother [192]was a witness, because he did a lot of work on the Chaco region. And one doesn't know if it's on a different scale, but the occupation of the territory continues, the exploitation of that labor force, and if that labor force is no longer useful but the land where they are settled is, then displacement occurs… Where the appeal to natural differences appears, something that in the capitalist mode of production seems impossible, and yet it's the basis for differentiation. And then in Patagonia with the Mapuche, it's the same contradiction, where there's the defense of private property, but when the Mapuche are given as communal property a territory that was part of the military barracks in Bariloche, horror, because it's private property. But the same people who are outraged because private property is being violated, when they see that the individual, based on the process of "natural" differentiation, is horrified by that same private property. But well, these are the concrete forms of capital accumulation.

Alejandro: The conclusions kind of contradict UNICEF, did they fire her for contacting you, Juan [Laughter]?

JIC: No, I don't think she was fired for that, not at all. I suppose she was critical of what UNICEF was doing. And I know that the boss fired her, didn't renew her contract or something like that, and got rid of her. I suppose that was it, simply having an intolerable critical attitude toward UNICEF's cultivation of appearances.

Regarding the other aspect of the question [Iván's question about childhood], I get the impression that, particularly in neoclassical economics, the figure of the child has this dual nature. On the one hand, all of neoclassical economics is founded on the rational individual who pursues the maximization of their total utility by balancing marginal utilities (and it says that this is natural). So, what about the child? If I were a neoclassical economist, I would say that the child's problem is that they have very imperfect information, they lack information, and they can make mistakes when making decisions. But by nature, they are selfish and choose to maximize their well-being. Because in the purity of neoclassical economics—it's nonsense, and that's why they can't explain it—when a mother

[192]Nicolás Iñigo Carrera.

breastfeeds her child, what's at stake is an exchange relationship. When you tell them that there's no price involved, they have no answer, but for them, it's in the nature of every human relationship to pursue the maximization of well-being. I don't know about the Austrians… Their explanation of value is the same: utility and scarcity (so for me, they're part of neoclassical economics, just like Keynes, because it's about utility and scarcity). Therefore, value is natural because these two things are always present. But they don't posit the rational individual. Or rather, they propose something regarding the organization of action, but it's not *homo economicus* —which is the figure of the rational individual in economics—a figure they don't recognize. But from the perspective of neoclassical economics, yes, the child is the same as the adult in terms of the leisure/income choice.

Pedro [Chat]: And why is neoclassical economics, with such absurdity, so widespread as a way of thinking?

JIC: The simple answer is because it's the full expression of commodity fetishism. In classical economics, human productive activity still mediates the naturalization of value. Labor, by its very nature, produces value, and therefore, it is an exchangeable object. But first and foremost, it is a product of human labor. In neoclassical economics, utility and scarcity are inherent in the "good." Walras puts it literally: utility is natural, and scarcity is natural. It is the fullness of fetishistic consciousness in the form of a scientific consciousness, because there is a method that leads to this conclusion. And that fetishistic consciousness erases all connection…

I also go back to this: in Smith and Ricardo, the relationships between individuals are antagonistic. Smith summarizes this when he says that one cannot expect the baker, the brewer, or the butcher to provide these three things. What one must do to satisfy one's own self-interest is to appeal to the self-interest of others. This is a war of all against all in which there is an "invisible hand" that brings about the general welfare. I already mentioned that for Smith, the workers are at a disadvantage because capitalists do form associations and the laws support them. And in Ricardo, the antagonistic relationship between capitalist and worker (and between both and the landowner) appears openly.

So, some people argue that neoclassical economics arose to respond to Marx, but they had no *idea* who Marx was. Its founders were more or less contemporaries of Marx, and there were earlier ideas that neoclassical economics later systematized. There is only one contemporary neoclassical economist who wrote something praising Marx over Ricardo, because he said that at least—I don't remember the exact words—he had an explanation. It was Wagner, the one who wrote the *Marginal Notes,* and Marx was indignant, saying that he hadn't understood anything, that what Wagner proposed was the opposite of what Ricardo proposed. This arose because classical economics itself gave rise to Ricardian economists, who still exist and are abundant in the Argentine national state. They never talk about surplus value; what they say is that profit is a deduction, that the worker is exploited because a part of the product of their labor is deducted. And this is what Ricardo argued. But what Marx is saying is that the worker is exploited because he is *forced* to work more than is necessary to

reproduce himself. It's not a problem of income distribution, it's a problem of how production is organized.

What does neoclassical economics, which addresses the Pareto principle of optimal well-being, do? It argues that any action that increases one person's well-being while decreasing another's takes society out of the optimal state of well-being, thus diminishing social welfare. Therefore, no one should have an antagonistic relationship with anyone else. Each person looks at commodities and decides: this is useful to me, or not, and to what degree; it's a problem one solves "at home" and has no connection to anyone else. And what happens is that when this manifests in the market, all the decisions about how each person thinks they will maximize their total well-being (adjusted to their "budget constraint") converge, and this automatically results in the price of commodities (which is the same as value). Since each person has maximized their total well-being within their means, no one has any right to complain to others; they have no relationship with others. Therefore, any attempt to establish a relationship that implies a connection with others is unnatural. Then, of course, when the crisis hits, all the neoclassical economists come demanding direct links and bailing out the capitalists. But that's the rhetoric. So, there's no reason to have a relationship.

And the second point is that when they look at what corresponds to each individual, why some have a larger or smaller budget constraint, they'll argue that the capitalist sacrifices themselves by postponing consumption, because marginal utility decreases as the moment of consumption gets further away. So, since they seek to maximize their total well-being… Otherwise, Mr. Ford would have eaten the nuts and bolts, the sheet metal, and wouldn't have put his production into production… We'll see later the figure of the abstaining capitalist from Marx's time, and that this figure no longer appears that way. Instead, starting with a neoclassical economist like Marshall, it's not that they abstain, but rather that they wait, they sacrifice themselves to consume, and in return, they naturally receive interest, and labor is remunerated according to its productivity. What it produces… Capital there is a subject, it's the inversion of this social relation, of the objectification of people and the subjectification of things…

So, neoclassical economics takes this concrete form and states that capital is a producing agent. Land is a producing agent, as is labor, and each is entitled to remuneration according to its productivity. But neither land nor machines produce: they are means used by the only agent that enters the production process, which is the human subject. The only *factor* —the one that actually does— production is human labor. But for neoclassical economics, the factors of production are capital, land, and labor. And, thanks to a marvelous statistical function, labor is always paid according to its marginal productivity, so workers never have anything to complain about; otherwise, they would be violating the natural law that no one has a relationship with anyone else. Pareto's welfare theory aligns with this: no one is connected to anyone else, therefore no one has the right to keep a portion of the product that belonged to another of these hypothetical entities: the machines, the screws, the pliers… Here too, the Austrians have some differences, as do the *staunch* Keynesians (not the average ones, because they adhere completely to neoclassical principles). Axel Kicillof's

Keynesians maintain that Keynes has a theory of value that differs from that of neoclassical economics. But ultimately, what comes into play here is the subjectivity of individuals.

Ivan: For neoclassical economists, is labor power a commodity?

JIC: For neoclassical economics, labor power doesn't exist; what exists is "labor" as a factor of production. They can't differentiate between what is a commodity and what isn't. For them, what determines whether something is a commodity (an "economic good") is its utility and scarcity. So, when you bring up the example of a mother breastfeeding her child, what do they do? Do they forgive her the price? Why is that priceless? You have few opportunities to ask them this, but they have no answer, because everything that is useful and scarce has a price.

Ivan: But there, the work does have a price.

JIC: For them, it's not a price.

Ivan: I'm reading a lot of treatises on labor law, and labor lawyers are constantly arguing that labor is not a commodity, and they fight with neoliberals, and now I'm finding out that not even neoliberals defend this.

JIC: For them, it's not even a commodity. In neoclassical economics, every individual comes into the world not with a silver spoon in their mouth, but with a commodity: leisure. What is leisure? One might say it's lying around all day. It's a scarce commodity because one can only lie around for 24 hours. But the problem is that it's the only commodity that individual has, and they need other commodities that have a much higher marginal utility than leisure, because they have a lot of leisure and no "income" (this is the explanation that corresponds to the worker). So, work is a sacrifice of that natural commodity they have, which is leisure; they have to exchange it for income. An equilibrium point is reached for the individual by maximizing their total well-being, equating, balancing the utility of the leisure they have left with the utility of the commodities they are receiving in return.

That's the point. So, it's not accurate to say that the individual sells their labor. I don't know, because neoclassical economists are the way they are… I only ever met one who, when you brought up these issues with him, tried to answer in terms of neoclassical economics, and at a certain point, he'd say: "I can't answer this, you're right." And this man, who was a candidate to be a neoclassical economics theorist, ended up resigning from the university. He said: "I can't keep teaching students and asking them these questions." And he didn't feel the need to try to answer anything beyond that, and he became a technician, a very good one, I suppose. I was able to confirm this with people who couldn't believe he was the best neoclassical economist I had ever met, and he was personally quite bitter about it.

Ivan: In that development, as far as I was following you... That individual couldn't be exchanging his leisure time, because what he's going to put into action is his work.

JIC: That's why he's sacrificing his leisure time in exchange for commodities. Work is the negation of leisure; it's a sacrifice of leisure.

Ivan: The same as business…

JIC: But here it's positive, because here the individual reaches a higher indifference curve in their fantasies than if they were left with all the leisure time and no other assets. So, it's not that labor is being sold. Labor is a factor of production. Factors of production are sold: land, capital, labor. When labor lawyers condemn it, in general, it's not because labor isn't a commodity—because what is a commodity is labor power—it's a moral condemnation that a human being shouldn't have to sell their personhood… I think, from the vague memories I have of labor law that I had to study once, that [they say] it's unjust for an individual to have to sell their labor because it's what constitutes human dignity, and they are forced to sell their dignity.

Ivan: Yes, they develop this line of reasoning, and they also confuse wage labor with work in general, the private work of a doctor… Everything is work, and… They deny that work is a commodity that can be exchanged, they're against it having a price and against there being an exchange between worker and capitalist; they analyze it as a service, given in exchange for… And they associate it with human dignity and so on. They don't have a systematic explanation either; they're just isolated paragraphs… And very ideological, yes. Many think that labor law ends exploitation; they would say that simply regulating it implies that there's no agreement between private parties, but rather that the contract is already established by state law.

JIC: Well, it's the conscience of a labor lawyer who comes to the defense… On the other side, there's another type of labor lawyer (in Argentina, Funes de Rioja) whose arguments, if they have any basis at all, are entirely neoclassical. All the arguments that […] [193]labor agreements, collective bargaining agreements, contain clauses that reflect the neoclassical rationale that says there will be a wage increase if there is an increase in productivity. And what we have before us is that the worker isn't paid for the productivity of their labor but for the value of their labor power. And this appears in the agreements.

Neoclassical economics is a full-fledged apologia for the capitalist mode of production: it's natural, it's "the best of all possible worlds," not even "all possible worlds [194]," it's the best world there can be. And Marx makes that distinction between classical economics, where he says they are still searching for the explanation of what lies before them, and vulgar economics, which only tries to justify the most blatant appearances of the capitalist mode of production, presenting them as natural conditions of human life. This is what neoclassical economics does. What happens to someone who studies neoclassical economics? There's a segment that will become ideologues of capital, who learn this part of the discourse, and then the vast majority of economists—at least in Argentina… I think it's universal, because its inherent contradictions make coherent training very

[193]The connection is cut off.
[194]Reference to Leibniz's famous phrase.

difficult—learn a series of techniques… Why the emphasis on mathematics and models? Because these are techniques that will later be applied to the management of society's total capital, and therefore to relations with the state, representing individual capital. And all this foundation was erased; ultimately, it ends up being irrelevant. But at the same time, these individuals were deprived of the possibility of developing a critical consciousness, because it is already saturated with all these constructs.

So, neoclassical economics is the purest form of the ideology of capital. Austrian economics is this taken to its extreme, and then when it's applied—this man, I don't know if it was Hayek or Mises, advising the Chilean state on economic reform—it wasn't like… flowing through the life of society with individuals making decisions and so on: it was the exercise of physical violence to impose certain conditions for the valorization of capital. For the normal management of total capital in society, that goes to an extreme where it can't work; it can only serve as a purely ideological discourse. Neoclassical economics, mixed with Keynesianism, serves both purposes.

Ivan [Chat]: Of course, so for them it's immoral that the child isn't a subject of rights and therefore a legal person. The child should be a legal person from birth. But if that were the case, the workforce could be prematurely degraded. Are these an expression of the alienated consciousness of the individual capitalist?

JIC: Indeed, one can look at it that way. But as for whether it's the expression of his alienated consciousness… The individual capitalist, in general, has a vulgar consciousness; he doesn't even care about the things he says. His discourse is that nobody here wants to work, they're all lazy. And what neoclassical economics does is construct a whole system for him, but the individual capitalist doesn't need it to continue asserting this. The ideological discourse of capital and state management and the reproduction of this consciousness do require a body of social labor that constantly reproduces the formation of new consciousnesses under these conditions. When we get to Volume 3—or at this rate, when you get to Volume 3—we'll see that Marx says all the time that this is how it's presented to the capitalist by his ideologue, the economist. It's not that they invent things that don't exist: it's that the individual capitalist takes what he sees, takes the immediate appearance, and the ideologue embellishes it with a foundation. It is one of the necessary forms that the movement of capital takes in the sphere of relations between personifications: in the class struggle, in the relationship of citizenship, in the state.

Ivan [Chat]: My association with the "individual capitalist" is related to the fact that the state as representative of total capital does not consider the child as a subject of rights.

JIC: Regarding this, it depends on the amount and type of individual capitalist. When it has become normal for that individual capitalist that a child must have already gone through the formal education process, and therefore cannot be exploited before then, they are perfectly fine with children going to school. When faced with the process of having to go to secondary school in addition to primary school, they resist the immediate transition. When this becomes the norm, and the

individual capitalist *perceives it* as such because they cannot find workers with the productive attributes they demand due to a lack of education, then they become champions of education.

In Argentina, there was an expression that has since disappeared, but I think it's useful because it's also the state that decides the content and form of formal education. Why, from the perspective of the working class, as a relatively undifferentiated group, should the state govern the orientation and development of formal education? And why, for a working class that is highly fragmented and differentiated in the degree of development of its productive attributes, does this no longer appear to be a necessity? On the contrary, what emerges is the need for differentiated education. And how does the individual worker—in either case, but especially in the first—face the contradictory issue that, as a worker in general, as a member of the working class, they need universal education, but as a worker selling their labor power, a specialized education might be more advantageous?

The concrete example of this (which I witnessed very clearly) is in Argentina. During the most intense period of industrial development, the need for industrial secondary schools arose [195], and a law was passed requiring all capital in the industrial sector to pay a tax directly allocated to funding national technical schools. National technical education encompasses a whole range of specializations: construction foreman (for civil works), electricity, mechanics, and so on. The law established a special condition for those companies that established their own technical education schools. So, the companies with sufficient scale to do this—most notably, Ford, which oriented education toward automotive production—hired the best graduates from its own schools (all of which are free in Argentina, where national, public education is considered free). Therefore, the worker graduating from the industrial school had to possess a certain versatility; if they were a mechanic, they couldn't be trained only for the automotive industry, but for the entire metalworking industry. So, they need training that will also allow them to work in appliance manufacturing, etc. Therefore, from the perspective of the working class, there's an interest in having a universal education. What happens to the worker? Ford was very selective. The worker knows that if they have that specialized training, they'll find a buyer for their labor. So, this contradiction arises. The other prestigious industrial school was Philips, which produced electrical technicians, which is what they needed. And it did the same thing as Ford. It no longer exists, but Ford still exists, although now it's a private school. The tax on technical education no longer exists, and it's not part of the structure of industrial schools (which aren't national anymore, they're provincial now).

This then comes up in the discussion about who should guide education. One argument says: business owners (they don't say "capitalists," they use a euphemism to make it sound less offensive) have to intervene because they know what future workers need to know and what educational needs exist. And this is what has led to the current mandatory unpaid internships in private companies in Buenos Aires. From the working class's perspective, this isn't the case, because

[195]The equivalent of FP (Vocational Training) in Spain.

they need universal education to find buyers for their labor. So, when the discussion turns to who should guide education—the political representatives of the working class or the capitalists—this conflict arises: some need universal education, others need training for their specific production needs, they need a relatively large mass of people to be adaptable, but from that perspective, there's no interest in universal education. With the differentiation regarding what type of workforce capital needs, which goes from the need for relatively undifferentiated workers to highly differentiated workers, what appears is the privatization of education and the differentiation in training.

The best summary I got on this topic came from a student at the National University of General Sarmiento. I was teaching a fairly introductory course focused on classical economics (Smith, Ricardo), with a touch of neoclassical economics for contrast, and then we covered Volume 1 of *Capital.* At this point, I raised these points, and this student told me: "What you're saying is exactly what our civics teacher told us—I don't know if it was 'civics'— [196]that she was training us to be employees, while the kids at the country school are training them to be executives." And I said: "That's precisely what you're saying." This distinction then emerges: there is no longer a universal education.

And this is what one faces when discussing this… The problem isn't that the privatization of education implies the "commodification" of what is produced, because what is produced in the education system is a commodity to be sold: labor power. What changes is the content of that production: who will govern, who will embody where that education is headed. From the perspective of the working class, it must always aim for universality and non-differentiation; individual capital is not interested in that.

I'd like to revisit one aspect of this here to get started next time. What we'll encounter is Marx's development of the material and "moral" (it's an ironic term) wear and tear of machinery. We'll focus on this issue (which has much more acute expressions today than in Marx's time) because it will force us to re-examine the determination of commodity value. And some arguments derived from Marxism emerge regarding the abolition of the determination of commodity value by socially necessary abstract labor. And we would then be in a position to move on to point 4.

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[196]Alejandro asks him in the chat if the subject is "citizenship building." JIC replies: "It could be. I don't remember the exact term he used, but that's what I remember; I associated it with a process of consciousness-raising. It wasn't math, language, history, or geography, but something like that, referring to the very production of the students' subjectivity." He seems to be referring to something similar to the subjects of "Citizenship Education" and "Ethics" in Spain.

[Alejandro asks how capital determines what a man/woman/child is]

Up to this point, we simply see a biologically based differentiation that takes on social forms of differentiation, even for working-class men, who are determined as free individuals first in private legal relations and then in political ones, differentiated before women. These social forms of differentiation are present, arising from historical determinations of previous social forms. And the biological plays a central role. [...] When we examine more closely the development of what constitutes a human being as determined by capital and the transformations of the capitalist mode of production, that is the point at which we can focus more on the concrete determinations of each subject in social life.

b) *Extension of the working day.*

We were going to look at this issue that Marx develops regarding the consequences for the worker. And one of them that we are going to see now is the extension of the working day.

We have already seen the capitalist limit to the incorporation of machinery. Machinery implies an outlay of capital and the possibility of increasing labor productivity and relative surplus value. And the first thing that will happen in this process is that capitalists, as the personification of capital, will try to keep the machine running as much as possible, and consequently, there will be a tendency toward the lengthening of the working day. The concrete way in which this need to use machinery as *intensively as* possible will present itself to the capitalist is linked to the amount of capital they have invested, which the machine will transfer to the value of production as it is used. But if the machine is not in operation, it also loses use value due to the natural processes to which it is subject. So, firstly, its wear and tear in production intensifies, but this will be recovered in the value of the commodities produced. And there is a second, uncompensated wear and tear related to the non-use of the machinery, which is irrecoverable in the value of the commodities not produced. Consequently, this impulse arises to extend the workday in order to keep the machine in use and prevent the machine from losing value as much as possible while it is not being used.

Marx adds a second (or third, depending on how you look at it) form of wear and tear on machinery: a wear and tear related to the social form of the machine and the product of labor—what Marx calls “moral decay.” This means that the machine, even if it doesn't lose its material use value, does lose its value; and this moral decay can occur due to two circumstances.

1) That the same machine exists, but the productivity of the labor that made it has increased, and the value of that machine has decreased. The capitalist has a machine that was worth $100, and now it is worth $80. I will focus on this one to develop the determination and then return to the second.

What is the labor that determines the value of commodities? There's a machine that's now worth $80 instead of $100, and it has to transfer its value to the product.

Let's suppose the machine can produce 100 units: it must transfer $1 to the value of each unit of product, or it must transfer $0.80. And what's at stake here is this form, characteristic of the capitalist mode of production, of the allocation of social labor, where the recognition of what is socially useful is established indirectly through the expression of the constant labor cost as the value of commodities. So, we now have to recognize that dead labor, and we've already seen that constant capital transfers its value to the product because we have to recognize whether that labor, which was already recognized by the capitalist who bought the machine as socially necessary, materialized in the product, continues to be socially necessary labor or not. And here, the recognition is based on what is socially necessary *today,* how much labor is needed today to be able to use that machine in the production process.

And socially necessary labor is now represented by $80, not $100. This means it's not simply the socially necessary labor to produce, but to *reproduce* the commodity. This "reproduction" isn't abstract in relation to the present: it's about whether that machine is currently capable of being produced and made available according to the most productive labor technology. If *today* the machine that was worth $100 can be produced for $80, and today that machine can be put into production by outsourcing a constant capital of $80, the value that the old machine will transfer to each unit will no longer be the $100 it was worth at the time of its production, but rather $80, the proportional amount of value that remains. Therefore, the machine will suffer this wear and tear, ironically called "moral" because it refers to the machine's value: it will have lost a portion of its value even though it remains materially intact. This is the simplest form of moral decay. I give the second form and then I return to the question of what socially necessary abstract labor to *reproduce* the commodity means and what it *does not* mean.

2) The second scenario is more complex because there's now a machine that may have cost even more than the one being used—$110 instead of $100. But this machine allows for such a significant increase in labor productivity that what corresponded to $1 of its unit value in the old machine, in this new machine, corresponds to, let's say, $0.80. So, the old machine that cost $100, compared to the new machine that costs $110 but transfers $0.80, has lost some of its capacity to represent value. The calculation here is more complex, but the effect is this moral erosion; it has lost some of its value.

[...] I'm going to make a small digression. If you look at it in Marx's time, you have to remember that Marx spoke of a ten-year cycle linked to the useful life of machinery. And in terms of managing individual capital, ten years was considered the norm. In the mid-19th century, the speed of technological change was very high in historical terms, and it's nothing compared to today's technological change. And so, a kind of moral decay appears, present but with a much smaller impact than today. This is very evident in computer microprocessors, where moral decay is much faster than the processor's material lifespan. This computer in front of me has about nine years of material wear, but its moral decay is absolute. The labor productivity that a computer equivalent to this one (if I remember correctly, it's an i5) provides for certain types of work is worlds apart. And then the issue of moral decay arises, not based on the first form of moral decay (that the same thing

is now cheaper), but rather… on the fact that, generally speaking—as was observed at one time, I don't know if it's still the case—each generation of processors, while having the same price as the previous one, had double the potential to increase labor productivity [197]. And this occurs in a period much shorter than five years. Therefore, this type of moral decay, that it's not cheaper but has much higher productivity, is a very relevant issue.

What also emerges in connection with this is that the capitalist who incorporated the innovation is pursuing extraordinary surplus value by selling below its social value and above its individual value. Then, it's assumed that when this technique becomes widespread, it's sold at its value. But what arises here is that in a time shorter than the chip's material lifespan, while that chip is still being sold at its value, and above its individual value, and… if the way its value is realized ultimately involves selling for a time below its original value—a value determined by moral decay—how does the capitalist who develops the chip manage to retain the extraordinary surplus value and also recover the value of their capital, ensuring that their capital returns, without the extraordinary surplus value even compensating for the capital turnover because they have suffered moral decay and haven't yet recovered their value?

This seems to me a matter of utmost importance due to the speed and nature of technological change. Furthermore, the capitalist who produces the chip is not the one who uses it: they are the producer of the machinery that will generate extraordinary surplus value for the user of that machinery. How is this extraordinary surplus value appropriated between the capitalist who developed the machinery and the one who will innovate in its use? When one looks at the historical development of machinery, in the 19th century, what often appears is that the capitalist who makes the technological innovation is the same one who later uses the machinery. Today, with the development of the division of labor, this is *generally* not the case.

Alejandro: How long does it take for a capitalist to recover the value of that commodity over time? 1 year? 6 months?

JIC: There was a calculation about the regularity, I don't remember how much it was but every 4 or 5 years.

Alejandro: We might not notice that moral strain in our domestic lives, but a company that uses a server and has to coordinate the production of a plant, and the different machines that operate... They're going to notice it.

JIC: Yes… As an individual consumer, you also notice it, because with cell phones it's very clear that with a speed that exceeds their material lifespan, they start losing functions, or the software updates run out… There's a generation of cell phones that reach the end of their useful life every year, making it impossible to use WhatsApp. And in general, the programs become so demanding that the older processor can no longer handle them, the storage capacity runs out… So, you see it

[197] He is probably referring to Moore's Law or Bell's Law (its updated version).

all along the supply chain, beyond the “moral exhaustion” of the person when they have a phone that isn't the latest model, but we'll see that when we look at the reproduction of the workforce. Then there's even a material impossibility of continuing to use something that has a material lifespan, that hasn't run out, but can no longer function.

[Alejandro mentions planned obsolescence in the chat]

It appears to be connected to this. But sometimes… I'm old enough to have heard throughout my life the phrase of someone who leans on the fender of a car, pushes, and the fender doesn't sink, and then the car came along that, when you push even slightly hard, sinks. And it sinks more and more easily. And it appears linked to the fact that you were sold a piece of junk so you have to buy a new one. With technological development, what's happening is that it's becoming less worthwhile, due to the moral decay, to extend the material lifespan of objects; generally machinery. In Argentina, the classic example is the refrigerator [198]that used to last 20-30 years, and no refrigerator today lasts that long. Beyond "planned" obsolescence, it's becoming clear that it doesn't make sense for material life to last longer than its moral value.

And the second effect at play here (which we will see later) is the role of individual consumption—also in what we will later refer to as capital's "representation expenses"—in the production of a certain labor power, the consumption of certain use values that deplete its moral life very quickly, beyond its material life. Why, from capital's point of view, does it appear wasteful to produce a product that, while it could still be used by the worker, is no longer useful because it is materially useless, and why does it make no sense to say that it will be sold again (from the perspective of total capital in society), while from the perspective of competition between individual capitals, it makes sense? But why is there a need from the worker's point of view? What consciousness, what productive subjectivity is produced through so-called "planned obsolescence"? And this is from the perspective of total capital in society, not from the perspective of individual capitals. What kind of human subject is produced through this, what attributes does it possess from capital's point of view? We'll leave that for when we get to the problems of how the workforce is produced.

The other point I wanted to raise is this issue of the role of socially necessary labor in *reproducing* commodities. There are arguments, very prevalent today, linked to the development of computing, that, for example, producing a computer program costs money to create the first, original version. Then, at one time, it cost money to make a floppy disk [referring to making copies of the original], then a CD, and then nothing, just an internet connection. And then a whole series of arguments emerge within Marxism regarding the fact that value can no longer be considered the labor that produces the commodity, because it's the labor that produces the first unit, and the rest costs nothing; it's a negligible amount of labor. And what one has to keep in mind here is that it's not about the production of a single unit, but rather a mass of use values. It's not that producing the original

[198]Refrigerator.

program costs all the labor, the design, etc., and the copy only costs the cost of burning it or transmitting it over the internet. The massive amount of work that went into developing the program will be carried over, in the appropriate proportion, to each of the units. Afterward, all that's needed is to transmit the data. A proportional part of that original work will appear throughout the entire product. It would be the same as saying now—I don't know if cars are still produced with molds, but it's changed drastically— that if they make the mold to make a car body, and if it was used for one car, only that car carries the full value of the mold. But no, the mold is made to make a whole series of units, and the same thing happens with the software production process.

What also changes in technical development is that when the increase in labor productivity was carried in the body of the machinery, making the second machine involved a very large amount of work... I mean, the work involved in developing the machinery is a small fraction of what it costs to produce each unit of the machinery, so it transfers a tiny bit of the original development work. In software development, there's a huge difference between what that unit apparently costs and what it can later reproduce. And there are third parties who can appropriate that product and " reproduce" it... let's put it that way [Laughter]...

I don't dare, because some societies are more serious than Argentina, but here we're all pirates. So, appropriation of the product can be done with very little... appropriation by someone who isn't the private owner of the machine, as before (in this case, the software), can be done with very little expense. And then it becomes a critical issue (one that has existed historically for some time) that the recovery by the capital that developed the software, that it recoups what it spent on its development, takes the form of prohibiting the reproduction of the software: patents. There's a strong development of patents because the product involves a very large development cost and then it can be appropriated by third parties, not the capital that developed it, at a very low cost. It's linked to the strong development of intellectual property, as a way in which private property is asserted in the process of "recovering" the capital applied in development and then appropriating the surplus value that corresponds to that capital appropriated in development. Then, this process appears where what appears as private property over a certain commodity (I'm not going to say "means of production" because it can also be a means of living) can be reproduced at no cost by subjects other than the one who developed it.

[Edgardo asks her to repeat what he said about the patents because it wasn't clear to him].

Let's put it this way, in a very extreme way. It's an expression of private ownership of products that embody a production process that can later be replicated by a private individual other than the one who carried out the original development. It has always been understood that the one who carried out the original development, which is the source of extraordinary surplus value, holds private ownership of that development. But to the extent that what is called "reverse engineering"—which is disassembling the machine of the original development to create a mold and assemble an identical machine—and the one

who manages to do this saves themselves the work of the original technical development, only needing the reverse engineering, they privately appropriate the product of another's labor without delivering in return the value of that product, which includes the labor necessary to have developed the technology incorporated into this machine.

When making a copy involves a substantial capital expenditure, the patent exists because private property rights prevail, but the issue has a certain scope. It contrasts with software development, where the product that emerged from that original work can be taken and appropriated by someone who didn't do the original development at a very low cost and is easily appropriable. So, the issue that in the first case played a role but was "secondary" compared to the cost of reproducing the machine that had the technical innovation without paying the cost of producing the innovation itself, has now been reversed; it can be appropriated practically for free.

So, the formal issue of guaranteeing the private owner of the development that they will appropriate the full value of that product, and of the capitalist mode of production, that it will appropriate all the surplus value it can on that basis, takes on an even stronger form of a legal relationship. Before, it existed, but there was a material barrier to the gratuitous appropriation of that labor by one capitalist for another; now the opposite appears: the only barrier can be of a legal nature. […] This emerges, which is characteristic of the capitalist mode of production and is also a condition for technical development within the capitalist mode of production. When they argue that patents should disappear… that would imply the overcoming of private property and the capitalist mode of production. Thus, the necessary form that the production of certain use values takes within the capitalist mode of production appears dissociated from what the capitalist mode of production is. It is not a matter of reforming it; the only possibility is to overcome it—that is what is at stake in this movement.

[…] There are reasons why some companies might relinquish their patents, but this also relates to the technical conditions. Why did Microsoft initially turn a blind eye to the piracy of its operating system? Because its widespread availability becomes a condition for that product to have use value, and the concrete way to achieve this universality under private property is to immediately transform private property into a fiction: it can't be used, but if you use it, nothing happens. And then the same thing happens openly with products that are free to use, but the condition for them to function as they are, and for that company to be able to sell other types of commodities or have another source of revenue, is that they be universal. And then comes free use, and whoever wins in the free-use market ends up displacing the others in the competition.

Regarding intellectual property, a question arises… And since you're here from different national backgrounds, I'm going to refer to something that doesn't exist in Argentina, but apparently, to publish with North American publishers—I don't know if it applies to all European publishers or not—the requirement now appears that if you cite a published work, with quotation marks, different margins, etc., specifying the page where the work is located, you have to ask permission from the

private copyright holder. Which surprises me, because we all cite here… As a way of saying, "I'm not the one saying this," it seems to me a matter of intellectual honesty that if I'm criticizing what so-and-so says, saying that it's where so-and-so says it, doesn't mean I'm attributing something to them. And now it appears as if it's appropriating a product, when the purpose of intellectual work that materializes in a book is supposed to be its dissemination. But it really caught my attention. There was a case of someone who quoted me and wrote me an *email* asking if I authorized them to quote me. What is objectionable is that someone takes someone else's published text and reproduces it as if it were not a quote.

Edgardo: I don't know how it is there, but here at CONACyT at UNAM, being cited is essential; it gives you points to advance. The more cited you are, the better you can market your work in academia. So, asking for permission would be counterproductive.

Alejandro: A quantitative expression of your quality as an academic.

JIC: I know him indirectly, here in Argentina what is requested are publications, I think citations have not yet arrived but I know from people who have told me about Spain… And now about Mexico.

Edgardo: At UNAM there is a platform that tells you how many people have cited you.

JIC: The rule does say that when reproducing more than 800 words of a text, or some percentage of the original text…

[Responding to Alejandro about what happens if the author is dead.]

Permission must be requested from whoever holds the intellectual property rights, because the publisher or the author's heirs may own them (I 've quoted Rubin a lot...). But anyway, it's starting to become a kind of caricature of the concept of private property, taken to a point where... It seems to contradict the fact that this is public, yet it doesn't seem to be for public use.

[Responding to Alejandro (Chat) about the role of free software in the development of productive forces]

The concept of "free software" is often presented as if it were the negation of the capitalist mode of production, as something outside of it, or even its transcendence. Then you look at who the main users of free software are, and it turns out to be all the capital that uses Linux. And it turns out they have access to the product of a series of labor vendors who didn't receive the value of their labor in return, and this labor remains available for use by the largest servers in existence. The question is, what role does free software play in the production of that labor? What role does it play in seeing themselves as fully free individuals, liberated from capital, which forces them to produce a certain use value for free for capital? The one who made this program… It must be Linux, but there's another one… Which is

the program used by all the servers, which are part of the constant capital of various individual capitals… Why does this need arise?

In my view, it relates to the conditions for the reproduction of a particular workforce, which we'll examine later. Because up to this point, the workforce that appears in the text is one that we've seen reduced to an appendage of machinery or tied to the partial labor of manufacturing… We did see that capital needs a certain development of universal productive attributes, but that's as far as we've gone. So, when one considers free software, what does it have in appearance, what does it have in substance… It's a topic worth exploring at length and discussing.

Alejandro: Regarding having those Linux distributions for servers… I understand that yes, it's about having the OS for free, but then the support offered isn't… It's like there's another issue.

JIC: Consider that the support is either provided by capital that uses free software, or when it's provided by the free software producers themselves, it ends up serving the capital that uses it. So, the question is why does production need to take that form? And again, what we have is that in the capitalist mode of production, all concrete forms are concrete forms of capital. What role does that play? It's not that software was produced in the abstract "behind the back" of capital, but rather that it's software that capital uses and that was free for them because they didn't have to pay the labor that produced it.

If we're on this topic, let's return to the question of what it costs to "reproduce" a commodity. The argument arises, for example, that once an invention is made, it can no longer be reproduced because it's already been created, and the same applies to the development of original software—the originality cannot be reproduced. This is presented as a critique of the idea that socially necessary abstract labor no longer governs social production. What's at stake here is that "reproducing" doesn't refer to simply reproducing something that, as an invention, had only one possibility of being created, but rather to producing a specific use value so that it can be put into operation in production today. The production of the invention requires a certain amount of socially necessary abstract labor that determines the value of that invention when it takes the form of a commodity. Therefore, it doesn't make sense to argue that the labor required for reproduction is no longer valid because it's not reproducible. It is a commodity that has a specific material character, which is being an original intellectual product, and then, if it takes the form of a commodity, its value will be determined by what it cost to produce it. It is using the term "reproduce" to empty the determination of value of its meaning.

This is most clearly seen in agricultural production. Labor productivity in agricultural production is generally subject to natural constraints that are beyond the control of capital. While they can be controlled technically, such control can result in the value of the product far exceeding the value of the product produced under these natural constraints. Seasonal constraints, in particular, come into play.

When you look at the price of seasonal agricultural products, you find that they have a certain value (I'll treat it as if it were the price) at harvest time, but throughout the year, especially those with an annual cycle, their price increases. And when the harvest is about to begin, the price can rise or fall sharply. In neoclassical economics, this is attributed to a supply and demand problem: when the harvest comes in, there's a large supply, and then it falls because the stored product is depleted; by the end of the year, it's gone. But what you really have to consider is that supply and demand operate on the annual output, not on the immediate moment of production. What happens is that storing these products requires labor; there's a loss of some of their use value, and so the amount of labor embodied in a mass of product, due to deterioration, becomes smaller, and therefore each unit of that mass of product embodies a larger amount of labor. That is the basic determination; there is one more that we will see in Volume 3.

What does it mean to "reproduce" that commodity? Take wheat, for example. There's a time of year when it's sown, basically in winter, and harvested in early summer. Wheat can be produced at any time today, but wheat grown in a greenhouse with controlled temperature and solar radiation, etc., has a much higher value than wheat harvested when labor productivity is naturally at its peak. Therefore, the value of wheat isn't determined by the cost of producing it because at that point, nobody can produce it (except those willing to do so at a price higher than that).

As the next wheat harvest approaches, and it becomes clear that, due to natural conditions, the following harvest will either be very high because labor productivity is very favorable —let's take the extreme example—or very unfavorable because the conditions are very poor, and consequently the value will fall sharply or rise sharply (but that wheat isn't available yet), consumption can be brought forward or postponed. If the next harvest is expected to have a higher value, consumers will try to bring forward their consumption. This will create pressure from demand on supply, causing not the value of that wheat itself, but rather its market price to rise. Conversely, if very high productivity is expected and the value will be very low, consumers will try to postpone consumption, thus lowering immediate demand and causing the price to fall below the expected value until the new harvest arrives and the value determined by the cost of production is *established.* But throughout the year it's not what it costs to reproduce that wheat, but what it cost to produce it.

So, what we have before us is this: it's about *reproducing it* under conditions that allow *it* to be put into production. If "reproduction" means that in six months the new machine will be available with that higher labor productivity, and today the machine costs what the old machine cost, what will happen is that nobody will want to buy the old one knowing the new one is coming. Production will be stifled, and the price of the old machine will drop. But until the new machine arrives on the market, its price is below its value; it's not a drop in the machine's value.

[Aristides asks when brands that allow copies to be made, like Nike or Adidas, actually start producing.]

JIC: We'd have to look at the specific case, because there's another issue there that might also be related to universality. They allow it to exist, but at the same time, every now and then they carry out a police raid and confiscate everything with "symbols."

Aristides: It's like a drug seizure, they do it every now and then to take stock.

JIC: Yes, it's a matter of how much of that there is. This is purely speculative, but associating it with the software, I could think that for those brands, universality also plays a role in terms of valuing that capital in the competitive landscape. I suppose there are brands like those in La Salada (for non-Argentinians, it's a kind of open-air market selling a lot of unbranded clothing, but counterfeit items also appear, operating at night, in the early morning, and outdoors)... There, the dual aspect of being seen as something exclusive for a certain segment of society comes into play; for some, it must work... I don't know if its widespread use doesn't play a role there. After all, people walk around the street wearing the three stripes [of Adidas or its counterfeits], and that has some effect on their consciousness, making it desirable to own the thing with the three stripes. So some will buy the counterfeit and others the original, but it also gives the brand a kind of presence. I don't know if that will work or not. But if it is not part of constituting that garment that has the stripes in a use value different from the other use values.

Aristides: Besides, there's never any doubt about which product is counterfeit and which isn't: the one you buy at the Adidas or Nike store, it's more obvious than with other products where you don't know, it's more obvious. I was also surprised that in any small town you go to, you always have textile shops, which are usually run by communities of [...] [199]or Peruvians who go to La Salada to buy once a month or sometimes more regularly, and they already have transportation arrangements to go shopping, how everything is so regulated everywhere in Argentina. [...]

JIC: It could also play a role in that, for brands, the person buying these counterfeit items isn't part of the brand's target audience, they aren't a regular customer because they can't afford them due to the price difference. And then it combines this with advertising, because it shows that owning that brand matters, that using it plays a role in personal image, and I don't really know if they're losing any sales... Because, as Alejandro mentioned before, the brand's business customer isn't a La Salada customer, and the La Salada customer isn't a brand's business customer... So, I don't know how much the presence of counterfeit commodities will affect the brands, but a specific study would have to be done. Because I suppose that for more "high-end" brands, I don't think there are counterfeits of those brands in La Salada because they don't represent for general consumers what a Nike or one of those brands might represent. I couldn't say more than that.

Aristides: I wanted to bring up the issue of authorship, which was raised, and how legislation and technological advancements, especially in software and computing, also come into play, creating a complex situation. And with music

[199]It's hard to understand what he's saying.

(because I come from that background), I have questions about the recording industry. At one time, sound recordings were on vinyl, etc., and until the advent of CDs, it wasn't so difficult to measure or visualize, but now that it's shared on a USB drive or virtually much more quickly, it's hard for me to understand how value is distributed. Even with YouTube, a band or artist makes a recording and uploads it… YouTube quantifies it with "likes," etc., but I find it very difficult to measure.

JIC: The first thing at stake is whether what's put on YouTube is a commodity or not. And in principle—I don't know how it works— if you make it open access, your work isn't taking on the character of private work where the social relationship takes the form of a buying and selling of commodities. You've created a use value that, since it was produced privately, we have to see if it's a *social use value* or not. But you're making it available to anyone who wants to recognize it as a use value without giving anything in return, which is conditional on you being alive, and to be alive, you have to be selling commodities somewhere. But it appears with this determination. When it's copyrighted and you have to pay for its use, then the subject who produced it produced it as a commodity, and what they expect—let's put it in very simple terms—is to receive the value of that commodity. And every time that's played [200], and in fact in all broadcasts that aren't internet (TV, radio), every time music is played, a copyright is paid for its use. So, it's not entirely clear to me what you saw as problematic.

Aristides: I think it was the case you mentioned, where it seems like if you're not expecting copies, it's because you're reproducing your life in another way or selling something elsewhere. It's what you were saying about the number one brands like Nike or Adidas, that they allow counterfeit garments to be reproduced to achieve universality.

JIC: I suppose there are all sorts of people who upload music to YouTube. There's an example I was going to give earlier, but it has nothing to do with art. I suppose that the ability to sell *original music* —whether original composition or performance—has a certain universality. And allowing piracy contributes to that universality, because more people, recognizing that production as having social value, are then willing to pay the price. This example reminded me of Monsanto's case with glyphosate. They developed glyphosate-resistant soybean seeds but didn't patent them because their goal was to sell glyphosate. When the use of the seeds became widespread, then they patented them. In the case of Argentina, I don't know about now, but years ago the Argentine government argued that the patenting deadlines had expired and it couldn't be registered. There was a whole fight and I think Monsanto managed to get something in return, but this is the situation: first a product is given away, and when it became a necessity, then they start charging for it.

Each case would have to be examined individually, and I imagine there must be quite a few studies on the subject, rather biased by the fact that this is "free" software, "social solidarity," etc., outside the capitalist mode of production, but there's quite a bit of work on it. There's an Argentinian sociologist who worked on

[200] It is broadcast.

this topic, but I can't recall his name; he was a student of mine, and we discussed this issue of free software and so on… It all comes down to what kind of social relationship it is and what's truly at stake.

These are transformations that bear the hallmarks of any social process within the capitalist mode of production. They may express a development of human productive forces that surpasses the scope of the capitalist mode of production, but they do not, in fact, transcend it. When one examines the development of education, one sees a development inherent to human beings, one that, so to speak, "transcends" the capitalist form of that development. Yet, simultaneously, it retains the capitalist form, which is the negation of the development of knowledge and human freedom. The development of education is the form that the development of alienation takes under capital. What occurs within the capitalist mode of production always possesses this dual nature: insofar as it carries the development of productive forces, it demonstrates an aim to transcend the capitalist mode of production, but at the same time, it does so within the form of the capitalist mode of production, reproducing it as the negation of that development.

This is a recurring theme. It's this: the development of machinery offers the potential to liberate human beings from the purely animalistic process of labor, which is simply using their hands. What makes it human is that it's consciously regulated, but when you observe it, it's the same as an animal that grasps a primitive tool and uses it (like a monkey sucking on a stick and inserting it into an anthill to attract ants). With the development of machinery, human labor becomes the development of the capacity to control natural forces, so that they operate automatically without human intervention and transform the environment into a means for human life. Marx argues that the development of machinery offers the possibility of liberating human beings from all the conditions of… shortening the working day, reducing the immediate labor of human beings because they now make nature act as if it were their own arm. And what does it do under capitalism? It extends the working day. It incorporates into the work process human beings who have not yet developed their full capacity for work and destroys them prematurely. This is a constant: the development of the productive forces, which drives the transformation of the materiality of labor, simultaneously does so at the expense of the individual worker.

c) *Intensification of work.*

What follows is that there is an association between two movements. On the one hand, the use of machinery enhances the productive capacity of labor and the rate of surplus value. Therefore, capital has a portion of itself dedicated to producing ever-increasing surplus value, and the other portion, constant capital, invested in machinery, is inert capital that produces surplus value but also loses its value if it is not put into contact with human labor. The first thing that will appear is something we already saw with child and female labor: capital strives to extend the working day as much as possible. The personification of capital will put the greatest possible amount of labor into operation and will try to eliminate any resistance that the workers might offer.

Marx will continue with the development, and an issue will arise that has given rise to a whole series of discussions because of the way Marx presents it. When we saw that when a capitalist has a technical innovation, having above-normal labor productivity allows them to obtain extraordinary surplus value. [...] And here Marx will use an expression to explain what this labor does, which will appear represented as more value because social value is above individual value: he will express it by saying that now the labor available to the capitalist who has the innovation, when it has not yet been generalized, appears as enhanced labor that multiplies the social value of the product above the individual value, and so the capitalist finds that they have to allocate a proportionally smaller part of the total product of labor to the payment of labor power, and so they try to lengthen the working day. And here it is argued that this labor, which appears as enhanced, produces more value [...].

Marx will say that it has the same effect as if there were a lengthening of the working day, of the total product: since a value above the individual one is being recognized, the capitalist has to use a smaller portion of that product to pay for the value of labor power, and this would be equivalent to a lengthening of the working day where more value would have been produced; and relatively less time would be needed to pay for the value of the labor power used, which would imply paying it below its value, making it difficult to reproduce under normal conditions. But it's not that this labor now produces more value, but rather that now, with the same amount of labor as before, it appears socially represented in an extraordinary way as if it had been more intense and had produced more value.

What Marx will address next is what happens when the machine, which was the source of extraordinary surplus value, becomes widespread, and social value comes to be determined by this new individual value. Consequently, it becomes clear that surplus value does not arise from the labor power that the capitalist saves through machinery, but from the expenditure of labor power applied to the machine's operation. Therefore, it's not that there was a time when labor produced more value and now produces less: when it seemed to produce more value, that increased value corresponded to the appropriation of that extraordinary surplus value, and it implies that the product of a greater quantity of social labor than that branch is contributing must flow into a certain branch of production. Is all of this clear? It resembles the effect of extending the working day, but it is not, and at the

same time it is not that this work in itself is capable of producing more surplus value, but rather that socially there is a part of surplus value that comes from other places and is appropriated by the capitalist who makes the technical innovation by selling below the social value and above the individual value.

Javiera: But it's still going to be longer, right?

JIC: What Marx argues here is this: leaving aside the lengthening of the working day, the introduction of machinery, which allows for extraordinary productivity, appears in the same way as a lengthening of the working day would. Because it takes the total product and, by selling it above its individual value, appropriates a larger mass of total value, as if more labor were applied to the production of this commodity, even though there isn't. The value of labor power didn't change, but the total value is greater, so it seems that surplus value arises from the fact that the working day was lengthened, saving labor. And when that extraordinary surplus value disappears and the individual value equals the social value, it becomes clear that surplus value arises from the labor applied in production, not from labor that would have been saved in production.

Javiera: In that process, more use values are produced, and that's where the value of these use values is reduced, right?

JIC: As things gradually return to normal, individual value decreases, and in this movement, one can say that the price is falling. I've always maintained that one must distinguish between normality itself and the *movement* away from normality.

Under normal circumstances, there is a given situation in which some have higher productivity than the average, and others lower productivity. Why is the average what *most simply determines* value? Because if one takes the weighted average of the amount of labor and multiplies it by the units produced, the total sum of labor applied privately and independently (assuming it is all recognized as socially necessary) to production is equal to the amount of abstract socially necessary labor to which the producers of these commodities are entitled.

Some spent 12 hours and others 8 hours, but since on average they spent 10 hours, and let's assume there are ten producers who made available to society the product of 100 hours of labor on average, they have the right to dispose of 100 hours of the abstract labor of the rest. When all commodities are exchanged for their value—the simplest expression of unity—then, collectively, the producers of each commodity have at their disposal the product of others' labor corresponding to the mass of labor they applied. But within each branch, it can happen that one person spent 12 hours and another 8 hours. And the one who spent 12 hours will not receive the product of 12 hours of labor, but rather that of 10 hours, and the one who spent 8 hours will receive the same. The labor of the one who spent 8 hours instead of 10 hours is not the source of those additional $2 (it's never in hours, it's in value) that they will receive. The source is that there is another person who spent 12 hours. Therefore, it's not an isolated merit of the one who used higher labor productivity: he achieved it because others used lower

productivity. If the others had used the same productivity, he wouldn't have received anything extra.

One has to distinguish this from the movement of normality. Normality is always in flux because, in the capitalist mode of production, the conditions of production are constantly being revolutionized. But when one wants to explain the determining factors, to recognize them, one has to separate normality as such from movement. And then, in movement, one isn't going to say: this person set a price of 6, and so the average went from 10 to 9.90, and 9.90 is the new value, and now we're back to normality. No. What we have is… Normality presupposes that the size of the socially acceptable need corresponds to the size of social production. And here the problem is that it's not that correspondence that's established… The price isn't determined by that correspondence of normality; it's determined by a normal correspondence: there's a surplus of commodities, and the socially acceptable need has to grow, and for that to happen, the price has to fall. Now, the price can fall much more or much less than 9.90. It depends on how that normality moves, because everything has gone out of normal, everything is in motion.

So, for this product to sell at $9.90 (the one with the 6 units and the others), it might be enough to offset the losses incurred by those who were producing at $12 and now $10—who are now losing an additional $0.10 per unit—or it might be that the demand for commodities grows more than proportionally, requiring external capital to be drawn in to keep the price at $9.90, to realize the value of these commodities that have been added to production. It's possible that some of the value previously allocated to buying this commodity will be freed up and directed elsewhere… Therefore, we are not in a state of normality; we are in a state of flux. In Volume 3, Marx argues that the norm must be explained in order to understand the deviations. It is a norm that needs to be realized in the form of a permanent deviation, which is why one must distinguish between these two aspects of normality and its flux.

So, the use given to this “empowered labor” is: 1) it reverses the determination of value production, because the value that each individual will appropriate does not depend on each one, but on the group of producers of the same commodity; and 2) it is not that their labor is empowered and produces more value, but that their product is recognized as having more value because others are recognized as having less.

With respect to a given magnitude of capital (regardless of its growth), what will appear is that the two determinants, or factors (because it is an external relationship between proportions) of capital valorization that intervene in determining how much surplus value a given capital will produce, experience opposing movements. Because with the incorporation of machinery, the rate of surplus value rises, but with a given magnitude of capital, variable capital decreases, and consequently, the number of workers. Thus, this contradiction arises, inherent in the development of the production of relative surplus value and therefore the valorization of capital, and consequently, the socialization of private labor: not only does the constant capital invested in raw materials grow faster than variable capital, but the constant capital cost of machinery grows at the expense of

variable capital. If total capital grows, it would be necessary to examine what happens to the overall ratio between constant and variable capital. But if total capital is given, it's clear that for constant capital invested in machinery to increase, variable capital invested in live labor must decrease. And the only way to achieve this is for the number of workers to decrease.

So, what will emerge is that just as the development of machinery pushes capital to extend the working day without limit... it will even suggest that workers cannot confront this expression of capital's desire to extend the working day. At the same time, the extension of the working day, coupled with the decrease in workers displaced by machinery, generates "[...] a *surplus working population,* which has no choice but to submit to the law imposed by capital [201]." Thus, it appears for the first time that a development of this nature... Simply by looking at the relationship between these factors, without considering the concrete movement of what happens if capital grows and what occurs with its growth, the generation of this surplus working population, beyond the needs of capital, will become apparent.

When this unlimited extension of the working day continues, what will emerge is the contradiction we saw between the total capital of society and the needs of individual capitalists, which is the depletion of labor power. And so, this form of autonomous regulation of the movement of the conditions for buying and selling labor power needs to take the form of direct regulation: a law that limits the length of the working day, that defines what constitutes a *normal workday.* I want to clarify: Marx will use the term "a *reaction* of society." In general, in what we will see later, it also appears that way. There is no reference to it being a need of the total capital of society. Marx will say that society is "threatened in its very lifeblood [202]. " In my view, one needs to make explicit that the underlying determination, the concrete form that this need takes, does not spring abstractly from the reproduction of human life, but rather springs as a necessity of the unity of the movement of the total capital of society, and that is why it is the political representative of that total capital of society who has the power to impose direct regulation over indirect regulation.

[Aristides refers to the fact that he raises this issue in previous chapters, along with a historical development.]

JIC: Let's see if I understand the crux of your point. In my view, the determining factors we're seeing can be observed even if one doesn't see them in a specific historical process. Because it's, so to speak, in the *essence* of capital, when it appears taking on concrete forms, when the power of machinery to increase labor productivity emerges, and consequently to generate the appropriation of extraordinary surplus value—in this specific case—one might say: well, if capital encounters a source of increased labor productivity that loses value if it's not used, with the opposing movement that the source loses value and is also incapable of producing value, but is a condition for increasing the rate of surplus value... All of this development suggests: well, the consciousness that personifies capital must extend the working day. And what happens if the working day is extended and it's

[201]Marx, K. (1977: 335), *Capital,* Volume 1. Mexico City: FCE.
[202]Both expressions appear in the first paragraph of the section.

also considered that workers are being expelled from the production process? A surplus working population is created.

And this is what follows: what happens when this surplus working population is generated? Labor power begins to be sold below its value due to competition among workers. This benefits individual capitalists, but from the perspective of the unity of this movement, it undermines the foundation of that unity. Consequently, this unity, which is the subject of this process, must assert its necessity by imposing itself on the movement of its individual organs, limiting the working day. One could look at it this way and make the same development without considering historical forms.

Now, when one follows this development alongside historical forms, it becomes clear that the exposition flows much more smoothly… as a development based on more concrete forms, rather than simply a retelling of the movement without reference to its specific manifestations. Why does Marx do it this way? When we look at the chapter on the working day and the detailed account of the process of determining the working day, where references appear almost in passing, such as the working class "wresting this from capital," or the state "making this concession"... In my view, this isn't the best approach. The best approach is to say: there is *this, this,* and *this* determination that takes *this* form: the political, union action of the working class, which confronts the action of the capitalist class, which takes this other form, and so on. And then, from this movement, one can arrive at the concrete form that is the state. By focusing on the historical development in isolation, the state appears as if it were a determination external to the movement of capital, which also has the power to limit the movement of capital.

And furthermore, the word “concession” appeared (I don’t remember if it was in this chapter or the one about the working day). In my understanding, there is no concession at all, but rather the specific form that a certain decision will take at a certain moment. If one looks at the immediate form, it seems as if this were being “wrested” from the state, but the state is the form that this movement takes. When the processes of concentration and centralization of capital—phenomena that are not present up to this point—reach a substantial level of development, it is not that competition disappears and the state takes over the regulation of the relationship. Among these capitals in defense of competition: what happens is that state management is a historical form that competition takes. Therefore, invoking the presence of the state without developing the idea that the state is a form of capital, is capital in its movement, fuels the perception that the state is external to capital, etc.

I'd like to make one more observation on this. We essentially encounter the state when machinery appears. Because when we looked at the other two forms, cooperation, which is a phenomenon that occurs within individual capital, didn't change the overall movement... so to speak, outside of capital there was nothing new; the products of labor simply began to appear as the product of social labor done within private labor. When we look at the division of labor in manufacturing, there weren't many issues that transcended the movement of individual capital either. And if I remember correctly, in fact, nothing appears in the exhibition. But

here, what emerged is a revolutionary form of the concrete movement of social production.

And it begins to happen, in something that one could abstractly take as *biological determination* (it's not simply that), and even if one didn't know how the life of society is organized, one could say: while physical strength was needed and the natural life of individuals was very limited by the conditions of life themselves, but also by the condition that appears emerging beyond these immediate social conditions... there was necessarily going to be more male labor than female labor. But now there is a change in technical conditions that makes it tend toward indifference, moving toward the undifferentiation between female and male labor. But since before, the sellers of labor power were essentially working-class men, and there is a whole process in which they were not recognized as free subjects for political relations, but were for private legal ones, then the form that this transformation must take encompasses the unity of the movement of total capital in society; it cannot be limited to movements within individual capital, and therefore it necessarily encompasses the state as the subject that carries the development of this need.

And here, when we look at the extension of the working day and the contradiction that it generates a surplus working population, fewer workers are needed. So, once again, it is the general unity of the movement that appears "affected," and state action immediately needs to appear, giving this indirect relationship the form of a direct one. It's as if one were to say: the total capital of society is too disrupted not to express itself. And it expresses itself not abstractly, but rather springs from the class struggle. We must consider that all these laws we will be seeing here come from the English Parliament, where there is not a single representative of the working class. It is the struggle of the working class for the limitation of the working day that has the force it has because it is expressing a need of the total capital of society, but it only has the power to limit it to a certain point (at first it was for the 12-hour day, then 10 hours...) because the need of the total capital of society does not extend that far. The reason why he goes even further is revealed in a later chapter. [...]

[Pedro mentions that in Marxism, class struggle is often presented as the cause of wage increases, as if the capitalist had made a concession, but if wages fall, it is seen as a defeat for the working class. It is explained by an abstract force of one class over another, and capital is erased as a subject.]

JIC: Yes. Why does a class have power at one time and not at another? That's precisely the question one has to answer in order to understand the forms that the movement of capital accumulation takes in the class struggle. It's a particularly critical aspect because of how easily abstraction occurs, the void you're pointing out. [...] And when one looks at the historical evolution of the capitalist mode of production, it's quite clear that at a certain stage of development... If we talk first about the struggle for the reduction of the working day and the power of the working class because it expresses a need of the total capital of society, and hence the history of the shortening of the working day, then at a certain historical moment there appears a brutal reversal of what was the political power of the

working class, and working days get longer, working conditions become more precarious, and there is no longer the power to make it a source of strength… What changed in the materiality of the labor process that caused the needs of the total capital of society to be reversed, and so, instead of giving power to the working class, that power has now been drained? A power that was expressed—and I say this without any apologetic intention—in the fact that the working class had mass political parties, and generally speaking, the working class no longer has them. It is an expression of weakness to be unable to mobilize a mass of the population.

[Javiera mentions that in her translation she says that society sees its “vital roots” threatened]

JIC: This talk of the "vital nerve" makes it seem like it's a problem of human life in the abstract. That this is "inhuman," and so we resist this movement because of its "inhumanity."

Javiera: But then it says something about the "legally limited normal working day".

JIC: Yes, but because it says that society is threatened at its very core, not because the total capital of society needs to limit the working day. That's my criticism of the way it's framed.

Javiera: But isn't that also...?

JIC: But that's not what governs the movement.

Javiera: But for me that's also at stake, not as some abstract parallel.

JIC: Yes, but whether it's at stake depends on what capital needs. If capital didn't need that population and could annihilate it, then the " lifeblood" would be at stake... and yet nothing would happen. So, attributing it to a problem of what's at stake being the "natural" life of society without considering its concrete form, in my view, only serves to perpetuate the appearance that it's a human spirit rising up against the violence of capital, and the state, whose true nature remains unclear, intervening to resolve the issue. Of course, the life of society is at stake, but one cannot explain it by the abstract concept of society, but rather by the concrete way in which the life of society is organized.

When you look at it in the current historical context, with a situation of increasing misery, it's clear that the life of society is at stake. But I missed something specific. Someone might come along and tell me that human beings are creatures of God, and it's unacceptable that a creature should be subjected to such torment: let's rise up. That's one way that consciousness organizes its political action. If I say this, which I'm aware of, that human life is threatened by the social form this process takes, then I'm going to organize my action differently. And I'm going to ask myself if I have the strength to confront this and how far my strength extends, and the answer will be that my strength doesn't spring from my abstract will. My will carries this determination, and my form of action is this or that. In that

sense, I don't... I subject the entire text to criticism, and on these points, I have something to say: the very development that Marx is making doesn't lead me to see it this way, but rather another. And this is what I'm proposing.

Javiera: [...] Without seeing unity, it's difficult to distinguish, for example... Pedro said something that reminded me of this issue of activism, that if one focuses on the vital importance for capital of the reproduction of labor power, and one sees workers on strike, and that after that strike nothing happens, one might say: but how? If what's at stake is the struggle to normalize the sale of labor power, why doesn't anything happen? What would come next, asking who this labor power is, that it might be a surplus population, and that's why this demand, this struggle, doesn't translate into any effect where the value of their labor power is adjusted? Will only the struggles of workers who aren't surplus be channeled...? That's where I get lost, at what point do we return to unity to explain this specificity?

JIC: [...] I return to something Marx raises in the lecture published as "Wages, Price and Profit," discussing the argument of an anarchist [Weston] who says that workers fight for wage increases, triumph, and achieve them, but capitalists raise prices and nullify the increase. Therefore, union struggles would be pointless; they are a mechanism that achieves nothing, and the only option would be revolutionary struggle, the overcoming of the capitalist mode of production. Marx's response, in a somewhat summarized development that predates his elaboration of the difference between labor power and labor, is, first, that what Weston says is nonsense. The increase in prices has nothing to do with the increase in wages. He elaborates on this in Chapter III of Volume 1, stating that if there are signs of value in circulation and more are added, there will be a general movement in prices. And then he goes on to say that through their union struggle, all the working class can aspire to achieve is that labor power be sold at its value, and that is why it can never abandon the union struggle. So it's not that union struggle can only be waged by the working class that isn't surplus. First of all, the part of the working class that is selling its labor power needs to establish a relationship of solidarity with those who aren't selling it, because otherwise, the latter will saturate the market and neither will be able to sell their labor power at its value.

Secondly, there's a point I generally address later, but since it's been raised here, I think it's necessary to mention it now. We observe that the capitalist mode of production continually revolutionizes the material conditions of labor, and therefore continually revolutionizes what a human being is, specifically what a worker is and what a capitalist is. Where is this revolution headed? It's the expression of the development of the productive forces of social labor. And up to this point, the one who appears as the subject carrying this movement, whose consciousness and will embody this movement, is the capitalist. And later we'll see what Marx says about the capitalist as a historical subject. And the workers appear simply as the bearers of this movement. When we look at what happens with [...] the capitalist limit to the incorporation of machinery [...], which implies this expulsion of labor power from production, what emerged was that the more expensive labor power is, the easier it is to incorporate machinery, to revolutionize the material conditions of production. The cheaper labor power is, the more difficult it is to incorporate machinery, because the limit that must be overcome by

the cost of machinery is much further away. Therefore, it has to increase the productivity of labor at a lower cost than paid living labor, which costs very little.

In this movement, the action of the working class in defense of labor power based on its value—because this is the content of this struggle—has a progressive character, because the more expensive labor power becomes, the faster capital is forced to make these revolutions in the development of the productive forces. If this development of the productive forces can lead to the overcoming of the capitalist mode of production, the action of the working class in defense of the conditions for selling its labor power pushes capital to accelerate the transformation of the materiality of labor. This development is carried out by the working class at its own expense: the more machinery develops, the more possibilities are created for capital— as far as we know—to extend the working day and multiply the surplus working population. But every action by any segment of the working class in defense of the conditions for selling its labor power, of the conditions for reproducing that labor power, pushes capital forward.

So, it's not that the union struggle... What will be different is that in autonomous regulation, the norm can only be imposed in the form of a deviation from the norm. The form of the deviation is that the deviation goes to one side and goes too far, and then it has to return to normality. And if it went too far, the force that caused it to go too far won't bring it back to normality: it will continue to take it further beyond that deviation. Then the other thing appears... The movement of capital means that the forces that the capitalist had to push it up to that point have gone too far, and then now the force of the working class appears (presented as if mechanically, externally), but if this had to go up to here | * |, and it got up to here | * |; now it is the working class that begins to have force, not to take it up here | * |, but further | * |[203]And then the capitalist class… And it is the permanent movement from which the unity of the movement of the life of society is imposed, which is the movement of total capital.

An example that I believe is applicable to all Latin American societies, and which is clear in Argentina. […] We were saying that capital needs the future worker to go through a process of schooling, and therefore cannot prematurely exhaust their workforce; it needs them to have these more or less “universal” skills to whatever degree, and that's where the prohibition of child labor comes in. When you look at Argentine society, you say: but it's full of child labor. You even see someone on television saying that Argentina's misery is due to the fact that they can't hire children under 14 to work. That comes across as if it were a discourse that benefits society. Are we supposed to assume that those who fight against child labor will be able to eliminate it in these societies? They know they're doomed from the start, but what role does opposing this play? That instead of fighting child labor, they go ahead and sweep away all adult workers… Because I've seen concrete situations where the introduction of machinery meant the replacement of all adult workers with minors.

[203]I hope that's clear; it simply represents the movement of a point between two limits.

So, one knows that one isn't going to win that fight; but if one's political objective is to embody that fight, what one has to do is confront it, because otherwise the sweep will be absolute. And the strength one has is limited, but it embodies the fact that capital cannot advance by sweeping away all adult workers and replacing them with minors. That's what gives it strength, but it's necessary to confront child labor. And the more one is faced with the fact that one lacks the strength to "triumph," to fully achieve the objective, the more it indicates that it's necessary for someone to embody that action. Because in a society where there is no child labor (at certain historical moments, some societies were more or less moving in that direction), it's easy to fight, because it doesn't exist. The problem, the need to fight against child labor, is in those national contexts where child labor plays a central role in capital accumulation.

The struggle for union power is always necessary. Afterward, one might ask whether one has the attributes to fully embody it, or more narrowly, whether one has an immediate need to embody it or not… but it's always necessary. And furthermore, to the extent that there is a need for unity within this movement, individuals will emerge who confront what appears to be a simple need (one that has no counterpart, let's say), and individuals will emerge who are willing to be the personification of the counterpart, because they express a movement toward that unity.

Ivan: I have two questions for you related to this. Regarding the idea that the class struggle and union action of the working class aim to ensure that it sells its labor power at its value, because the pressure exerted by the surplus working population tends to force it to constantly sell below its value, I wanted to ask if you also see the possibility of it being sold above its value in some cases, for example, in the cases of programmers, technicians, and so on. And on the other hand, since we're still talking about union action by the working class, I wanted to ask how you understand the role of the political party of the working class.

JIC: When we talk about the class struggle, the universal worker and the universal capitalist, we are talking about the political organization of the working class.

Ivan: You say that there isn't a working-class political party today, and I understand that you could also see that as: well, there isn't a working-class political force currently working to overcome the capitalist mode of production. But then, at other times, the working-class political party expressed a need of capital, for example, in its centralization in the case of the USSR… What is the role of the working-class political party? Union action is to sell its labor power for its value and guarantee the unity of the working class, so that the living conditions of the class that is generating that value don't deteriorate. But what about the political party itself? What is its purpose?

JIC: I'm going to leave it at that for now because you 're referring to things that don't appear anywhere in *Capital*... The USSR doesn't appear at all. When the time comes, we can consider whether and how to look at it. I'll start with the first question.

All commodities—when viewed through a lens of factors not previously considered—are sold in movements that are sometimes above or below their value. Cyclical movements arise from the inherently private nature of labor, meaning that value is not merely imposed as an average because there is a sudden surplus or shortage, but rather that there is a cyclical movement that *necessarily,* and not circumstantially, determines that there is a surplus or a shortage. The first thing one notices is that the sale of labor power at its value implies that there are times when something is sold above or below its value.

Assuming it's sold at its value, so far we only have indications that it might be systematically being sold below value. Now, in addition to these movements, it's a commodity that, from the perspective of the materiality of the labor process, has different values of use: there isn't yet an absolutely universal worker. It can then happen circumstantially that a certain type of worker is lacking, as might be the case with programmers, and then there's a problem that the solvent social need is higher than the supply of that commodity at its value, and that labor power is sold above its value until programmers become overabundant, to their detriment, and the general trend returns.

As we progress further, we will confront how the value of labor power is determined. Up to this point, we have taken it as something given when we began. In Chapter IV, it appeared that we would consider the conditions inherent in what was implicitly a commodity producer: the physiological minimum plus a historical and moral component that depended on what the worker was accustomed to. However, the determination of that value was not yet addressed. And this was one of the reasons why we said that, at a certain point, we understood capital as a subject, but that it is not yet capable of establishing its own conditions. It is not yet stated that capital determines the value of labor power, which means that it determines what use values the worker must consume. Regarding the first part, this is it.

Regarding the political organization of the working class, we've already discussed the state and the class struggle, placing them above the line that these are political relations. It's a political action where the boundary between union action and politics isn't a boundary... I had mentioned something developed by one of the CICP members who used to participate in the workshop, Fernando [204], where he focused on the employment contract. At least in Argentina... contracts are all part of private legal relations, but the employment contract is part of public legal relations, and therefore political relations. We'll see it shift to private legal relations very quickly, given how things are going, but... we'll see if the union organization of the working class transcends the realm of private legal relations, enters the political sphere, and has enough strength to prevent that transformation. Now: we haven't yet considered whether the working class is a revolutionary subject or not.

[204]He is probably referring to Fernando Dachevsky.

Up to this point, those who direct the development of the productive forces of social labor (which Marx says "appropriates the science of others," without specifying who the subject of that "science" is) are the capitalists. And the working class appears linked simply to the reproduction of this form of social production organization. What we have so far is that even in the simple defense of the conditions for selling labor power, capital is being forced to advance in the direction of the development of the productive forces of labor on this basis we are examining. Our initial question was what we do as political subjects. This remains the answer to that question. But up to this point, one cannot answer much more.

Regarding working-class political parties, what I said was that there were mass parties, parties that recognized themselves as working-class political parties. Today, there are no mass parties that recognize themselves as such. At least not in Argentina, where the organization in which the working class participated predominantly in its political organization did not recognize itself as a working-class political party: it recognized itself as multi- class. And it was a working-class mass organization. I don't know enough about other countries to say for sure, but it's clear that where socialist and communist parties are still recognized as working-class political parties, they are no longer mass parties in general. In Argentina, they no longer exist, and the remnants that remain are appalling to see who they represent politically. The Labour Party in England opposed Thatcher's policies, being strongly linked to the trade union movement, and when it returned to power, the Labour Party in England became "New Labour," which had little left of what it once was as a labor party.

It's a description, a reference; I'm not trying to make any arguments, but precisely: the problem is that one has to explain why that changed. One can dwell on appearances and say: because the leaders of that party are a bunch of traitors, that's why the working class has been defeated and doesn't have a revolutionary consciousness, because there isn't enough revolutionary consciousness… And one dwells on the appearance of a consciousness without questioning its determinants. And we've already seen that the simplest and most general determinant of consciousness in the capitalist mode of production is that it is a free consciousness because it is alienated in the commodity; and, viewed in its concrete development, because it is alienated in capital. […[205]]

When the limitation of the working day appears, we have seen Marx's expression that "[…] capital demands equality of exploitation rights," and the legally established working day will be generalized to all sectors. But there will be another determining factor that will operate on the length of the working day, also stemming from machinery. Machinery will multiply the intensity of labor, meaning that more labor power is expended in the same amount of time. Therefore, the very limitation of the working day causes capital to accelerate the development of machinery, resulting in machinery that imposes a more intense expenditure of labor power on the worker during this shorter workday. And in turn, the fact that the intensity of labor is being accentuated necessitates a shorter working day.

[205]He says he would like to continue, but he won't answer any more so as not to distract us, and that these questions will come up again later.

So, this new step in the transformations of the materiality of labor will emerge, implying that the worker must possess the necessary productive attributes to perform more intensive work, which in turn requires a shorter workday. Thus, the regulation of the workday, which we saw arise as a condition for the normal valorization of capital but which limits its capacity to valorize itself by shortening the workday, now we see that this movement engenders a capacity that is conditioned by the shortening of the workday. Direct regulation, which previously began simply by seemingly limiting capital's capacity to accumulate, is now a necessary concrete form that capital uses to advance by revolutionizing the material conditions of production. What seemed like an external limit is now a necessary form of this development.

4. The factory.

The factory is the space where, *in a private setting, the direct organization of social labor* is present. It had already appeared to be a conscious organization of that labor, taking the form of a scientific organization. What will become clear is that this scientific organization will be developed on the basis of a technical division of labor. Marx will examine the development of this technical organization from manual labor to work with machinery.

His first observation is that, just as the tool became independent of the worker's subjectivity, the structure of production no longer has the character it had in the manufacturing division of labor, but rather […] the structure changed on this basis where previously workers were combined, and now what will appear is a structure in which there is a principal worker and a group of auxiliary workers. And in turn, he will posit the existence of another type of worker, those responsible for the "control and maintenance of machinery," and in reference to them he will say: engineers, mechanics, carpenters… And I'm going to make a clarification: the term "engineer," I suppose, actually refers to *a* machinist. And he says that they are higher-level workers who have part scientific training and part artisan skills, manual dexterity. And that they are separate from the other workers who appear alongside these factory workers. It's a differentiation within the collective workforce of large-scale industry between these types of workers. There's no further elaboration on that; it simply states that it's a division of labor based on a technical matter.

We have these conditions of the workers, and now what will emerge is the structure of the factory, and how, in the material form of the work process, all the investment inherent in the objectified social relation will appear. Everything we've been seeing of that social relation is as if it takes on a material form in the factory. The first thing that will appear is this: while the tool is manual, the worker uses the tool. In contrast, in the factory, the machine *uses* the worker. This determines what movements the worker has to make and what speed this instrument of labor operates at. In contrast to manufacturing, where the structure of production is determined by the collective of workers, here there is a "dead mechanism" that is imposed, to which the workers are added "like living appendages [206]," because the machine governs all movement.

The difference emerges between the machine in the abstract and the capitalist use of machinery, where the machine is used to force the worker to work, leaving that work devoid of content; the worker no longer controls the labor process. The essence of this is that not only as a process of worker exploitation and valorization, but also as a labor process itself, it is not the worker who manages the conditions under which this labor process unfolds, but rather the worker is subordinated to capital in the material form of machinery. Thus, what appeared when we first examined the production process—that in the labor process the worker made use of the instruments of labor, and in the valorization process dead labor made use of living labor because it preserved its value—has now acquired a material character.

[206]Marx, K. (1977: 349), *Capital,* Volume 1. Mexico City: FCE.

And so, the fetishism we had of commodities, later developed into the fetishism of capital, now sees capital, in the material form of machinery, as the concrete subject of the production process, and consequently, of the process of social metabolism. This enters the consciousness of the capitalist as the personification of capital. […] What is presented here reaches its full ideological development in the tenets of neoclassical economics, in the theory of the production function, where the instruments of production are subjects that produce by themselves. […[207]]

Here again, science enters the picture. The subjectivity of the worker, an appendage of the machinery, becomes irrelevant in this process; what dominates is science, and the control over the natural forces that are set in motion based on this development of scientific knowledge, and the social character of the work of the mass of workers (not the individual worker). All these powers confront the worker as powers of capital, personified in the capitalist, who is the one who will "objectify" the function, the power he has over the workers in the factory code, the regulations governing the organization of the social character of labor. Marx will argue that this is a caricature of the possibility of direct organization of the social labor process. Thus, within the factory, we have the conscious organization of a social labor process where the objectification of the worker and the subjectification of capital are fully inverted.

And something that had appeared in the cooperative movement will reappear. Within the body of the collective worker, as this social labor must be structured and the organization and discipline of this process imposed, the work of surveillance develops, and what will be identified as the division of workers within the collective between "manual" workers—even though they are an appendage of the machinery—and worker-foremen; rank-and-file soldiers and non-commissioned officers of the army of industry. And it will become clear how, in that organizational structure, if the workers have any participation in the development of that organization, they do not do so as a power that is their own, but rather by personifying a power that is alien to them, that of capital.

[Alexander asks about what he says at the beginning, that “the technical foundation on which the division of labor in manufacturing rests is abolished.”]

In the division of labor in manufacturing, the partial work each worker would perform—the possibility of dividing the manual labor done by one worker among two or more—was governed by the task a human being could accomplish with the tool, considering the available jobs. Now, the division arises from considering the machine, which dictates which jobs are needed. The division of labor still exists, but now it is the machine, specialized in partial tasks, that divides it. With this caveat: it is now framed in terms of general determination.

It's clear that practically today, inside the factory... A lathe operator wasn't the same 30-40 years ago as a welder. They are workers specialized, each in a specific task. Now, what governs this is the machinery system: there's a lathe operator and a milling machine operator because there's a machine called a lathe, and (today)

[207]He explains again the concept of "income" corresponding to the "productivity" of each "factor." I'll skip it, since we already covered that.

there's a robot that's a welder. And to be a welder, you need a different set of skills than a lathe operator. It's clear that a lathe operator is an extension of *their* machinery; it's not the same as a textile worker, even though a loom is a machine, and even though capital needs a worker who is as versatile as possible, there are still technical divisions of labor. But these divisions arise from the differentiation of the machinery.

When machinery integrates all tasks, a possibility that arises with robotization and automated control, workers begin to operate all the machines; it's a single machine, but at the same time, it's a worker with the specific training that corresponds to it. Therefore, the machinery system doesn't eliminate the division of labor, but rather changes the basis upon which it is established. And this is what Marx proposes at the end of what we were discussing: it generates new forms of division of labor. Maintenance workers, in purely manual labor without machinery, have no function because there's nothing to maintain. What we have is a worker specialized in sharpening tools, but… Here, it becomes a specialized task to service the machine when it deviates from its normal operation or to prevent it from doing so. It's not a lathe operator, it's a mechanical worker who knows how to repair lathes (excuse me for using lathes in the explanation because, back when I was observing concrete production processes, the lathe was immediately considered the quintessential machine).

The other point I wanted to make was this: the development of machinery is destroying the division of labor in manufacturing. But one must never forget, in the historical development, a phenomenon that comes after what Marx is writing about, where a very strong division of manual labor appears at the heart of machinery production: with the emergence of the manual assembly line. Previous machinery assembly was manual but structured around a craftsman, a worker with a group of auxiliary workers. The development of the manual assembly line causes machinery production to explode, and within the fully developed machinery system, a manufacturing process emerges that plays a key role and is only surpassed when assembly work becomes the domain of a machine, namely the robot. At that point, machinery displaces manufacturing, but until that machinery is produced, manufacturing plays a substantial role at the heart of the machinery system.

5. Struggle between the worker and the machine.

We move on to the next section, which is the struggle between the worker and the machine, stemming from this inversion we were looking at, in which the machine appears as the material embodiment of capital. Two moments emerge: 1) an initial moment in which the workers see the machine as a competitor that displaces them from the production process, and so they attack the machinery itself; and 2) only later are they able to recognize that the problem is not the machinery, but rather the capitalist use of machinery, the social form that organizes the human life process, and that the enemy is capital embodied in the machinery. This confrontation occurs; the machinery displaces workers from the production process, and surplus workers begin to emerge… Yes, Javiera?

Javiera: I have a question about that part you just mentioned, that it took time for the worker to learn to distinguish between the use of machinery and its capitalist use. I was wondering what she meant when she said it took time and experience, because later she mentions a return to manufacturing, and I thought there might be something there, but it doesn't quite show how he learns to make that distinction.

JIC: He's going to refer to what was called the " Luddite movement," which said that the key was to destroy the machinery so that the workers couldn't be displaced. So, the problem wasn't confronting machinery in general, but rather capital, and that's what he's going to present as a learning process for the workers. In fact, the Luddite movement disappeared, and what remained was the trade union and political organization of the working class. Manufacturing came later; it was a consequence of the introduction of machinery.

In historical development, machinery displaces workers from production, firstly because there are no workers capable of operating the machinery because they possess the skills required for traditional manual labor, and secondly because, as we have seen, the capitalist limit to the incorporation of machinery is that the dead labor incorporated must be less than the paid living labor that is eliminated. This leads to the creation of a surplus working population for capital. Therefore, when this is argued, the workers who lack the necessary attributes to operate the machinery (the "old" workers) and the workers whom capital renders surplus, the labor force is no longer useful to capital, and it will be argued that just as it loses its use value, it also loses its value.

So, this surplus population, which is of no use to capital... Here, he describes where it ends up. It survives in industries that are being decimated by the development of machinery. One possible fate is that it still finds employment where there is relatively simple work. So, there is a surplus of labor being offered, and it will be sold below its value. What happens there is a trend that doesn't mean manufacturing is reborn, but rather that they either stay where manufacturing is still struggling to survive, or they try to find work in large-scale industry, and since they are surplus, they drive wages below the value of their labor power. This is the argument of what machinery is doing to the worker and what happens in that process. One can still see it today, especially in countries like those in Latin America, where this type of situation arises: where does a worker find work who has lost the use value of their labor power for large-scale industry? You can go to the branches that are in the process of being annihilated, and the other thing is to go out and look for work where the big industry does not demand developed productive attributes.

I want to make a clarification: capital always needs a workforce that reproduces itself under normal conditions (except in very exceptional situations). Generally, what happens is that in sectors where normal conditions are required, this type of worker, lacking productive attributes and so on, cannot be readily available. But what will appear here—labor being sold below its value—can occur in parts of

capital's movement where it doesn't need a workforce with the full range of productive attributes. I don't know if this answers your question.

[…] [208]In one of the following sections, the situation will be reversed. What do the ideologues of capital do regarding… how do they seize upon the materiality of the machine to defend the capitalist use of machinery? That the machine has all the virtues (I don't want to get ahead of myself) of alleviating labor, etc. And what will be presented is that it does the opposite. Then, the workers begin… I don't remember when the Luddite movement reached its peak, because I think it was during the 19th century.

Javiera: 1811-1816, she says.

JIC: Yes. That's it, it's organizing to destroy the machines. Later, this movement disappears: it becomes the struggle for the working day, for education. So, it's confronting capital as capital, not as a machine. We have to remember that the so-called "Industrial Revolution" took place in the last quarter of the 18th century, and this is the immediate reaction. If you look at the specific circumstances, several things emerge. At the end of the 18th century and throughout the first half of the 19th, workers were prohibited from associating, from forming guilds. Smith states this as a fact, saying that workers always lose because they are not allowed to associate, no matter how much they want to. At a time when any form of association demanding better working conditions is violently repressed, one form of protest is to destroy the machine, which leads to immediate misery.

One can see a significant difference there, when communist and socialist movements emerged in the 19th century, along with the Chartist movement, which aimed to lower the wealth requirement for voting. This already implied a whole development of the working class's organizational structure. At the beginning of the 19th century, this structure was completely dismantled, under the pretext that the feudal guilds hindered capital development. This system, presented as an "advance of freedom," prevented workers from unionizing, as it was seen as synonymous with feudal society. Therefore, this may have played a role in why the movement initially focused on machinery and then recognized capital, rather than machinery, as the subject of social change.

I'll add one more point to this section, where Marx contrasts what he develops at the end of the chapter on manufacturing, where workers could use their subjective intervention in the handling of tools as a weapon against capital. Now this has been reversed, and capitalists use machinery as a weapon against the workers. He refers to strikes, uprisings, and all workers' movements against capital. With that, we've completed point 5; let's move on to point 6: the theory of compensation […].

[208]Continuing with the topic of Luddism.

6. The theory of compensation, with respect to workers displaced by machinery.

This theory states that displaced workers will find employment in machinery production. This relates to a series of discussions within classical economics, which posits the existence of a "wage fund"—a fixed amount of social wealth that will always accrue to the working population. How can we explain that the wage fund does not decrease when workers are laid off from production? Through the theory of compensation.

Beyond this, what will capitalist apologetics propose? The ideological discourse of capital will emerge… Just as workers initially confront the machine and later recognize the social relationship as the cause of their plight, the capitalists' ideologues will begin by arguing that there is no reason for these antagonistic relationships, for this opposition from the workers, because in reality, the machinery itself appears full of virtues for the worker: it allows for shortening working time (but under capitalism, it lengthens the working day), it facilitates work (under capitalism, it increases the intensity of labor), which is the triumph of humankind over the forces of nature (and its capitalist use destroys and impoverishes the worker's nature). Everything appears reversed; the apologist focuses on the machine itself and not its capitalist use, and claims there is no reason for the workers' resistance. Then the two forms of production of consciousness are contrasted: the worker who moves from the machine to its capitalist use, and the capitalist who stays in the machine to empty it of the concrete forms that capital's use has.

Marx will develop the theory of compensation based on what we've already seen: that over the lifetime of machinery—not just in its immediate use—the total amount of living labor replaced by its use will be greater than the amount of living labor applied to its production. This is because the machine is only incorporated if the dead labor added to the value of each unit of commodity is less than the paid living labor saved by its use. Therefore, since the worker works the entire day (paid/unpaid living labor) and the machine is the product of a smaller amount of labor than the worker would have performed (paid/unpaid), a decrease in total labor and what appeared to be surplus population is inevitable.

I make a caveat here: in the immediate process, it may happen that the production of machinery, which entails a quantity of labor that is massively invested in it, subsequently consumes the use-value of the machinery and its value gradually. However, the machine absorbs a mass of labor at the moment of production, and the reduction in the cost of the commodities produced by the incorporation of machinery may have the immediate effect of those surplus workers being reintegrated into production. But in the unity of the process, necessarily the quantity of labor that was substituted by the use of machinery is greater than what would have been performed, and consequently, the capital's need for labor power will have been reduced.

The final issue in this section is the question of the social division of labor. Marx argues that manufacturing emerged as the quintessential means of multiplying the

social division of labor. He contrasts this with the development of large-scale industry, arguing that as the productive power of labor multiplies immeasurably, it multiplies the movement of capital and simultaneously intensifies the social division of labor. This brings us to section 6.

[I'm skipping over repeated questions, except for clarification to Alejandro about the possibility of the displaced finding new buyers for their labor.]

There's an issue here that isn't explicitly stated, and we'll see later that it plays a role. When we look at reproduction, it will appear that every year (to put it that way) there's new capital, which is the surplus value from the previous year, converted into new capital, and it's the source of the demand for new workers. Now, if workers are displaced from production and there are also new workers, the labor supply that year will be multiplied by two factors: the displaced workers and the new workers. So, implicit in this dynamic is what happens with the influx of new workers. We'll see the whole complex development later, because it's not simply linked to the birth of new workers.

Marx strongly disputes the argument that the supply of labor power depends on the birth rate of the working-class population. But then, the new capital comes from that which was valorized in the previous movement, which includes an increase in the rate of surplus value. This is because, with the incorporation of machinery that displaced these workers, their means of subsistence became cheaper, and now there is more relative surplus value. Therefore, capital, compared to moving from year 0 to year 1, and then from year 1 to year 2, in principle has relatively more surplus value and consequently a greater capacity to accumulate. Furthermore, since the capital that moves from year 1 to year 2 is larger than the capital that moved from year 0 to year 1—because what was absolute surplus value up to this point is combined with the newly incorporated relative surplus value—there is an increased capacity to accumulate capital, and consequently, an increased demand for labor power.

If the supply increases due to the growing working population and the workers displaced from the previous cycle, capital also increases due to the simple extraction of surplus value that occurred previously, plus the increased rate of surplus value resulting from the introduction of machinery. This is the source of expanded capital; it's constantly growing. Now, to put it simply, if capital grows without relative surplus value at the same rate as the working population, there will be demand for its labor power. If relative surplus value appears through machinery that displaces workers, this is simply added to the wages of those who have been incorporated, but capital growth is amplified compared to the previous cycle. Therefore, it's a problem of proportions in the immediate term. In the long run, less living labor is incorporated than was displaced, and therefore some workers will be surplus to requirements in the unit of reproduction. But we'll look at that later.

Javiera: I have a question about this whole "worker versus machine" thing. Politically speaking, is it reactionary for the working class to fundamentally rebel against machinery? Given that the development of the productive forces is

advancing and portions of the working class are being displaced, what should be done about that, since it's like a law of capitalism?

JIC: This will become apparent when we examine the reproduction of capital, and when we consider what I want to discuss regarding this aspect of the machinery system in large-scale industry, which isn't covered in *Capital.* The answer at this point is quite abstract: if this represents the development of the productive forces, then opposing the development of machinery is to oppose the development of the productive forces. But what we see so far is that this reflects what always happens to the working class; it occurs at the expense of the working class, and it confronts this contradictory determination.

Javiera: The thing is, this is a political issue. Recently, here in Chile, in a very conflictive area of Valparaíso where there are many companies all along the coast (coal and other industries), Boric raised the issue of closing one of CODELCO's companies [209], which is a national company. It caused quite a stir, and the CODELCO workers started protesting... Nothing against the government, which was supposed to be a workers' government... But the point is, the company Boric ordered to close is completely unproductive, the machinery is very obsolete, and its waste is polluting the entire coastal town... What can be done? You have to find a solution; you're going to have to close companies like that, but the company isn't really focused on developing the machinery that's currently used in China, for example, which is very efficient for processing copper waste. So, what solution does the working class offer for the population that will be displaced? It's a problem that we really need to think about, isn't it?

JIC: Many concrete decisions are still needed to get there, but this is it.

Since everything the working class does is at its own expense… These are the inherent contradictions of the capitalist mode of production, and many of them don't have—let's call it, in the abstract—a "good" solution. We'd have to see what they propose to do with these workers, if capital is going to expand to absorb them… This is what happens to the working class when it assumes the representation of the capital that exploits it. Why should this situation have a resolution that clashes with the capitalist mode of production? It depends on what that specific process of capital accumulation is, where it's going to "lead," to put it that way. I don't know what Boric plans to do about it.

Javiera: Likewise, the closure of the company appeared to be to avoid further contamination of the local population, that it was for the children, but in reality that is not the reason, it is because it has been operating at a loss for years.

JIC: These are real determinations, but they are presented as ideological forms to sweeten the liquidation movement of a capital that can no longer sustain its accumulation process and that at the same time supposedly threatens the general accumulation movement of that place through pollution.

[209] National copper cooperation.

Javiera: But beyond the specific case, I was using it as an example of this. If Marx is saying that the working class organizes against the capitalist social form, well, fine, it organizes there, but if it organizes against machinery or the development of the productive forces, it's a reactionary organization, right?

JIC: It stems from that contradiction. When you look at machinery, from the abstract perspective of human labor, it's full of virtues, and capitalist machinery does the exact opposite. I propose that, when we move further (and going beyond Marx's development in *Capital)*, we ask ourselves if the working class can take the personification of capital into its own hands, given what it faces in that form. Because it continues to face a social relationship that remains alienated, and everything it does with the power that comes from directly managing capital for the development of the productive forces of social labor is accompanied by an increase in the surplus population. So, it will face that contradiction, which on a small scale is present in that specific case, but which is present all the time.

There was a different version of this at some point, it emerged in the late 1990s and early 2000s, when unemployment rates were very high. The idea was that civil engineering projects should be carried out without heavy machinery, which would create a very large workforce because… a lot of people would be needed who, instead of using a bulldozer, would use a pick and shovel. And it was presented as a demand for political action. And here lies the contradiction you were raising.

One must not forget that the working class is a working class *because of capital;* it's not that capital is capital because it is a working class. First, we find capital, and it is capital that tells us there must be doubly free workers, and it is the existence of these workers because of capital that tells us there must be a working class. Development doesn't work the other way around. This is what one sees when looking at the very actions of the working class: it is a form of the movement of capital. […] We saw it: the working class needs to demand a wage increase in order to defend the value of its labor power. If the working class triumphs in this struggle to raise wages, it facilitates capital's acquisition of machinery, and therefore the multiplication of the surplus working population, and therefore, the lowering of wages. And these are the constraints the working class faces. There is no movement that is external to the movement of capital: it is the movement of capital that takes this form. So, should the working class fight to raise wages or to avoid raising them? Generally, they have to fight to raise them, I have no doubt, and what Marx argues is that this is the only way for them to be sold at their true value. But at the same time, they are the bearers of that determination.

7. Repulsion and attraction of workers as mechanized industry develops. Crisis of the cotton industry.

We move on to the next section. It deals with the movement that capital will make regarding the expulsion and incorporation of labor power. And what underlies all of this… There is a contradiction that is always present from the perspective of capital. With the development of the production of relative surplus value in general, but particularly with machinery, constant capital, which does not

produce surplus value, grows faster at the expense of variable capital, which does produce surplus value, in order to achieve a *more intense valorization* of variable capital. And so, we have been viewing the need for labor power as something linked to the increase in the scale of material production. What we see now with this surplus population is what happens to the movement not of increasing the scale of production, but of capital itself. So, Marx will develop something that I will summarize in a series of points.

The first point is that a relative decrease in the number of employed workers does not preclude an absolute increase in the number of employed workers if the scale of production grows. At the same time, what will appear mediating this increase in the absolute number of workers is the movement in which constant capital in raw materials and machinery grows, while variable capital decreases. And that, therefore, the increase in the demand for labor power, with the number of workers who will find buyers, is conditional upon total capital growing proportionally much faster than variable capital. […] Thus, what Marx will argue is that this process […] takes the form of a cyclical movement: there are periods of expansion and periods of contraction, in what he will call the industrial cycle.

So, apart from what happens in the long run in the movement of labor demand, in terms of the number of workers who will be incorporated into the production process, there appears a movement of workers being pushed out during periods of depression in the cycle, and at times when the demand for labor expands within that cyclical movement. And all the time, within these movements, there are changes in the sex, age, and skill level of the workers. There is a general movement that, in turn, takes the form of a cyclical movement. And what stands out, and for me will later play a central role in the development of what happens to the surplus population, is an observation that highlights that total capital has to grow proportionally much faster and increasingly faster than the growth of variable capital, because constant capital occupies a relatively larger and larger part of that total capital; it needs to accelerate to maintain a rate of growth for variable capital.

If we had a total capital that remained constant over time (if there were no accumulation, in the sense that the total mass of capital always remained the same), with the development of the production of relative surplus value, constant capital would become an increasingly larger part in both relative and absolute terms. For variable capital to maintain its magnitude, total capital cannot remain constant; it must become increasingly larger so that even if variable capital is relatively smaller, it maintains its magnitude. But since the rate of surplus value keeps increasing, total capital must grow not proportionally [shows a drawing of a straight diagonal line: "/"] but more than proportionally [shows an increasingly curved line upwards, like a "U" cut in half], if only to ensure that variable capital maintains its magnitude.

Javiera: In crude terms, in order for this variable capital to be maintained, is it like saying that in the factory there have to be more and more machines than workers operating those machines in order for it to keep going as it is…?

JIC: It's not exactly... This is taken in terms of capital mass, in value. For there to be a sustainable number of workers, it's not because there will be more machinery (which there will be), but rather that, in order to maintain a certain magnitude of variable capital, a more than proportional growth of total capital is needed, not only a larger proportion, but a more accelerated one.

Alejandro: And if this more than proportional growth of constant capital continues and this increase in variable capital does not... accompany the entry of new generations of workers, then there begins to be a magnitude of working population that cannot find a buyer for its labor power.

JIC: Yes, and more workers laid off from production. On both sides.

Ivan: Juan, could it be that we're at the limit of that process? What I see is that technological capacity is becoming so high that machinery has almost entirely replaced the workforce that acted as an appendage of the machinery. We're even going through a stage where there was a working class dedicated to controlling the machine's automatic processes, but these shadowy factories are starting to appear that seem to lack even the machine operators, where the worker ceases to be an appendage of the machinery and appears as a controller or even a creator of that machinery. But at the same time, there's a very large surplus population, and that form of the process seems to be starting to be replaced; the worker ceases to appear as an appendage of the machinery and simply occupies the role of control and creation, and at the same time, there's a surplus population that is excluded from that process.

JIC: That's about concrete forms that we don't yet have here, nor the general conditions. In any case, the worker at the control panel is an appendage of the machine. Their function is to ensure the machine doesn't go out of its automatic control, and to intervene if it does. Now, how far can the development of machinery go? That remains to be seen, because it... One of the virtues of old age is that one has heard that the transformation can't go beyond *this* point, and it has surpassed those technical limits. But let's look at it when we examine the reproduction process, not the simple production process, but the accumulation process.

8. Revolution brought about by large industry in manufacturing, crafts and cottage industry.[210]

[Clarification regarding "domestic work"] Domestic work is not work within the reproduction of family life: it is work done at home, what in English is called *putting-out. The system* refers to the production of commodities within the family sphere for a capitalist. Much garment making and mechanical manual labor takes this form.

Therefore, the increase in labor productivity brought about by the development of machinery in large-scale industry will gradually eliminate all manual labor processes. This is especially true for individual work processes, both in the division of labor in manufacturing and in cottage industries. What develops here is this combined work process, and the power of machinery. The division of labor in manufacturing and cottage industries cannot compete with the productivity of large-scale industry. The only way they can sustain themselves is by increasingly cheapening and exploiting the workforce they employ.

Here the condition of limiting the working day immediately arises. Direct regulation in the form of a law, which is mandatory, is the vehicle for the elimination of these other forms of production. By regulating the length of the working day, manual labor, which could subsist on the basis of an "indefinite" extension of the working day and the intensity of labor, can no longer be sustained. And so, all those things that seemed like "natural" obstacles (Marx's irony) to limiting the working day are overcome in the form of direct regulation, which has a coercive character. This direct regulation is a form of indirect regulation, which in turn strengthens indirect regulation because shortening the working day is a condition for increasing the intensity of labor. This is what I was going to say about point 8; I don't know if you want to say anything about this point.

Alejandro: When I confronted the issue of the home-based industry, in relation to what you mentioned, Juan, I saw forms very similar to what I see every day in Argentina, but not with the same character. For example, self-employment. It's very advanced compared to what we have now, but I wonder how it's possible that these… let's call them "productive units" on a small scale remain, and how within them we have relationships of personal dependency that end up overexploiting the workers […] [211].

JIC: Yes, not only does it stand in opposition to what Marx proposes, but this form of production is actually multiplied. But for that, we have to look even further than the development, even beyond Volume 3, regarding national forms and so on. In any case, when we get to the chapters on reproduction and look at the general law of capitalist accumulation, we'll see some of its determinants; why a process of capital accumulation increasingly points in that direction. That requires another set of determinants, but in any case, the general character of why, beyond the case

[210] After 20 minutes of the session, they realized they were on point 9 when it should have been point 8. I put it in its corresponding place and then we continued with point 9.

[211] Inaudible.

of this national process, what happens to the working population—which already appeared in this chapter—that capital considers surplus, and which will also be referenced here… We'll have more determinants unfolded.

9. Factory legislation. (Sanitary and educational clauses.) Its generalization in England.

In this chapter, apart from a few issues concerning child and female labor, the discussion generally revolves around the movement of autonomous regulation of the social life process. Point 9 focuses on the need for this autonomous regulation to take the form of direct regulations, which will extend not only to the workplace but also to the production of labor power, culminating in the dissolution of bonds of personal dependence, replaced by impersonal bonds characteristic of social relations mediated by capital. All factory legislation is an expression of direct state regulation as a form of the very movement of capital; it is not the opposite, but rather the form it necessarily takes.

Here again we see an expression I mentioned earlier, where Marx argues that factory legislation is the "first conscious and *systematic reaction* of society against the elementary course of its production process [212]." The challenge lies in the abstract nature of the subject being presented as reacting, because it is not society as a whole that reacts. It is society as an expression of its general social relations; its direct regulation does not occur outside of these general social relations. So, to frame it as a "reaction of society"… One needs to delve into the concrete determination of that reaction, which is a necessity for the concrete subject within the social life process. And Marx argues that this is linked to the development of machinery.

[Iván mentions that on one hand there is a struggle of the workers' movement, but that other social actors also appear, such as factory inspectors, representatives of the Church, etc., or more comprehensive expressions]

JIC: Let's go back to the beginning. What is the general social relation? And if this is it, then all one will see are concrete forms of this general social relation. We saw the consciousness of the commodity owner. Later we will look at further determinations of the consciousness of the worker and the capitalist. But what we had is that the worker needs to sell their labor power, etc. I'll leave it at that, but essentially it would be: what is outside of capital? How do you explain these needs for action from outside the movement of capital? And why is it that sometimes there is a historical moment that has force but is dragging along a previous historical period where it didn't?

From the standpoint of the abstract form, which carries potentiality as a potentiality to be realized, determination appears as a necessity that can take different concrete forms. From the standpoint of the concrete form, which happens to be the realization of one of those aspects of the potentiality to be determined, it

[212]Marx, K. (1977: 402), *Capital,* Volume 1. Mexico: FCE

seems accidental, as if it had no underlying necessity from which it sprang. Thus, factory inspectors are personifications of capital. Workers are determined in their personification as personifications of labor power set in motion by capital. We are all determined by this general social relation in different concrete forms. Why do factory inspections appear? Because the need begins to emerge that something must be done about the concrete conditions of work. Marx will put it this way: the fixing of the working day, the obligation of the working day, is what eliminates a whole series of conditions of production that, left to the "ungoverned" movement, could have survived. So why look at critical factory inspectors/the struggle of the working class as if they were not an expression of a need of capital?

[…] We saw that the capitalist mode of production constantly revolutionizes the consciousness and will of individuals as subjects alienated by capital, and so what was accepted as normal at one point ceases to be normal when the next transformation revolutionizes the material conditions of production in such a way that some individuals have to possess other personal attributes. And this is what we have before us. If there is another determining factor, if, let's say, the factory inspectors came from outside the movement of capital, then we have to explain what social relation they embody. And the problem—and this comes up a lot in course discussions—of suggesting that they come from something outside, is that before finding the commodity as the general form of the social relation, and before finding alienated consciousness in the commodity, we would have to find that other social relation that has the power to operate on the capitalist mode of production itself. If one asks, "Let's see where there is another power besides this one," once one begins and encounters the capitalist mode of production and these determinations, one finds that they are all forms of it. […] One also finds that all the relations characteristic of the previous mode of production are transformed into forms of the movement of capital.

My objection is to the form of exposition, because it lends itself to separating society on the one hand and capital on the other. I'm going to digress because all this made me think about… There was a time when an English neo-Ricardian Marxist wrote a book called *Marx after Sraffa* [213], about what remained of Marx once Sraffa destroyed the determinations of value, and in particular of the prices of production by value (in this group's conception). This fellow was called Steedman. And then there was another one who, in *Capital & Class* (a Marxist journal), called "Hobson" or something like that [214], wrote an article called "Marx after Steedman." And what remains after Steedman? All this stuff about value, etc., was "proven" to be useless, and what remains is the moral condemnation of capitalism. And then, it's about emptying the content of the social relationship to reduce it to relationships between naturally free individuals who have moral conduct, and Marx appears in that article as a moral individual who reacts critically by condemning the barbarity of the capitalist mode of production… Which, by the way, is barbarity, but it is not explained by barbarity, but by the form that this social relationship has and by the role it plays in history.

[213]Book by Ian Steedman (*Marx After Sraffa,* 1977).
[214]Bruce Roberts appears to be the author.

Jacobin magazine, and JIC responds that those who write there are *more or less* the same ones who were at *Capital & Class]*.

[…][215]

Javiera: In point 9, he returns to the need for a coercive state law to be imposed. I'd like to go back to that because, for example, in the chapter where we looked at the struggle between the worker and the machine, Marx was already talking about the factory code, and at one point he mentions that the very improvement of the machinery required the improvement of the factory building, and how that would benefit the workers. So, as we've been reviewing, the worker is subject to the machinery, and it's this improvement of the machine that, in turn, imposes the need to improve the conditions of the workforce.

JIC: It stems primarily from the way the social life process, from capital, is organized. When the machine appeared, what we had was that the worker now confronted capital, which presented itself in a material form: the machine to which he was subjected and which dominated him. Therefore, when the worker's struggle against the machine began, it started as a confrontation as if the subject were the machine itself, and then, in historical development, it became clear that the problem wasn't the machinery itself, but its capitalist use. So, what happens to capital with this use of machinery? It creates contradictory needs. Since machinery, if not in use, doesn't transfer its value to the product and deteriorates, it needs to extend the working day indefinitely. As machinery becomes dominant, it imposes (let's put it simply) an increasing intensity of labor. Because as the machine works faster, the worker, to serve it, has to exert more effort. And capital has the contradictory need that, in order to make use of the machine, if the working day has no limit, the worker ends up not being able to function as an appendage of that machinery.

We saw the same thing with education and child labor. The use of machinery, by simplifying work, allows for a proliferation of child labor. And at the same time, this proliferation of child labor, the extension of the workday for minors, clashes with a need of capital: that these individuals not prematurely exhaust their labor power and that they develop certain general skills so they can function as appendages of machinery and be flexible enough to change jobs. Therefore, it is a need of capital to both extend and limit child labor. And both needs will be embodied by different human beings, and in some cases by the same individuals in different roles.

When all these laws were passed, there wasn't a single representative of the working class in the English Parliament. They were representatives of the capitalist class—let's leave aside those of the landowning class—particularly in the House of Commons. As individual capitalists, they needed to extend the working day, and they didn't care if the workers died working. But as personifications of the total capital of society, they needed to express this condition of the general unity of the limit on the working day, the educational process, and so on. Who is the bearer

[215]I resume the development here after the altered order of point 8.

of this need of the total capital of society? Essentially, it is the working class, because it is a need that coincides with the immediate need to reproduce themselves as living subjects, as labor power. This need of capital takes the form of having an antagonistic relationship with capital, and yet it is a need of the total capital of society.

One is always looking at this, and you'll find it in concrete forms… Not in the immediate sense that it's a need of capital, but rather it will appear as a need of human beings, which is appropriate, and on the other side they'll say that these are a bunch of lazy people who don't want to work and that's why they want their workdays shortened. It seems they have no other reason than what is presented to the immediate consciousness of the subjects. But what is presented to them has a content that necessarily takes that form.

We had this idea of how factory legislation arises as a concrete form of the production of relative surplus value through the system of machinery in large-scale industry. And all these transformations that become evident through direct regulation constantly have the contradictory character that, while they are a development of the productive forces of the human subject, under the capitalist form they are nothing more than a way of increasing exploitation; it is a potentiation of human subjectivity under the concrete form of the barbarity of capital. Marx will be constantly making this counterpoint throughout *Capital.* And here this will appear specifically in relation to education.

Education will emerge as a prerequisite for the factory system, leading to legislation that mandates the educational process. When one examines the content that transcends the movement of capital, this content concerning the development of the generic human being, Marx argues that this anticipates what is to come. He speaks of the seed of the education of the future, positing that all children will undergo an educational process combining productive labor with instruction, and—something striking for the time, but very German—gymnastics. This, he argues, is the means of producing fully developed human beings, not simply as a method to intensify social production, but to produce human beings in the fullness of their development. And here, the question of what happens to science arises.

It essentially appears as a science, a development of the conscious organization of social labor, but one that is fragmented within each individual capital due to the private nature of labor. It is a science that needs to be able to regulate mechanical movements, to break them down into simpler movements so that they can be controlled in the production process. It is not a science that needs to answer why that movement exists; what it needs is to operate on the manifestation of that movement. And therefore, this science of natural processes needs to be developed.

As we were saying, with the development of machinery, it's necessary to objectively control the natural forces at play in the production process. These forces must be technologically transformed and mastered, incorporating this control into the machinery itself. And then, a new kind of determination emerges—not developed here, but rather in a historically specific form—through the organization of the materiality of the labor process, not abstractly through the

general determination of the social relation (which already arises from this). It goes on to show how machinery revolutionizes the labor process, the technical foundations of production, and consequently, how it transforms the various functions of the worker's labor. It shows how the labor process and the division of labor combine within the collective worker, creating a mass of capital and, consequently, a mass of workers who move from one branch of production to another, requiring workers with the attributes necessary for this constant mobility.

And yet, this contrast reappears: he is speaking of an individual who tends to possess "universal" attributes (with the scope appropriate to each era) and he contrasts this by saying that all of this destroys the old division of labor, while at the same time bringing about all these transformations at the expense of the conditions for the reproduction of labor power, because workers are constantly threatened with being displaced from production due to the squandering of labor power under precarious working conditions. And again, the contrast arises between what occurs within each individual capital and what occurs in the general unit. He summarizes this with a phrase that I believe alludes to a discussion with Proudhon about the "good side" and the "bad side" of things, stating that this is the negative side of the phenomenon. This entire process demonstrates the advancement of a human subject with increasingly developed individual and collective productive forces, and at the same time, under the capitalist form, it signifies the annihilation of those very attributes.

Javiera: Has it not yet been stated which individual personifies science?

JIC: No. If I remember correctly, the capitalists already appeared as separate from that, but the workers don't appear as… except for the maintenance workers who have some scientific training. Here, in general, we're talking about basic education, within the scope of the time. […] I propose that, at the end of this chapter or the next, we return to the form of the scientific method that corresponds to this historical determination of the method and the transformations in the materiality of labor that one encounters in the 150 years that have passed since Marx wrote until today, and what transformations there are, then, in what a worker is. And then look at who the subject of science is.

Marx continues with this contradictory character of the movement of capital, stating that all this development occurs as a "natural" law of the capitalist mode of production, but what it actually conceals is capital's need to transform workers into individuals capable of the constant transformation demanded by the materiality of labor. It is a necessity to replace a partially developed individual—as emerged with the division of labor in manufacturing—who performs a minimal task, with fully developed individuals.

[…] [216]What emerges here is the need to overcome the capitalist mode of production, presented as a matter of life or death; it is not presented as arising from the movement of capital itself. It states: it is necessary to overcome the forms that correspond within the capitalist mode of production to the development being

[216]He says he made a mistake and explains it again.

observed, because they contain all these annihilations, these contradictory movements. And so, it is necessary for human life, not for the capitalist mode of production, to overcome… the masses of working-class population that are superfluous to the movement of capital, who are kept in misery, by a full availability of human beings who possess this “universal” condition and who operate, who are capable of performing diverse functions in the life of society.

All of this always goes back to some observation from Marx's early work regarding the individual with universal attributes, but not yet placed in relation to the development of the capitalist mode of production, but rather as a question of… An individual whose entire activity is an expression of a generic human condition. And then, if I remember correctly, in *The German Ideology*, he's talking about the individual who cultivates the land in the morning, is a tailor in the afternoon, and a " critical critic" at night. It's as if he possesses all aspects of material and "spiritual" life—let's call it that, abstractly—all manifestations of his condition as a generic human being. Here, the need to overcome the capitalist mode of production appears as an abstract expression and not as a power that springs from the capitalist mode of production; the source of the capacity to overcome it is not present. I don't know if that's clear, because I started off on the wrong foot, confusing it with something else.

Alejandro: Is it possible that it also appears that way in the 1844 *Manuscripts ?*

JIC: It sounds more like The *German Ideology to me* because it has the irony of being " critical critic." It appears throughout the development, but it shows that the capitalist mode of production is making all these transformations, not that these transformations lead to its overcoming, as an affirmation of generic human being, which can be seen as external to the very movement of the capitalist mode of production.

Alejandro: And there are a number of arguments that cling to that appearance, aren't there?

JIC: It is dominant within Marxism, or even the proper form of Marxism.

What follows also refers to this being a first step, but that the inevitable conquest of political power by the working class will lead to the development of that educational system which, within the capitalist mode of production, is already germinating. And here, as a conclusion to all of this, these are conditions of life or death, and the working class will conquer political power. Consequently, what is at stake is no longer simply the regulation of production within each unit, but the very organization of the social life process. Capitalist forms oppose these revolutionary stirrings, and the goal, it is said, is the abolition of the old division of labor; that is, the production of a human subject who fully embodies their generic being: no longer subject to a partial task, but possessing the capacity to assert themselves in their productive activity as a being who transcends all specific limitations in the exercise of their vital activity.

Here comes the clarification where it says that “However, the only historical path by which the contradictions of a historical form of production can be destroyed and transformed is the development of those very contradictions [217].” The development of these contradictions is the way in which the capitalist mode of production carries within it the necessity of its own overcoming; it doesn't appear from outside that movement. It is first presented as an abstract necessity inherent to human life, which only later is presented as a necessity of human life that arises from the specific historical form of this general social relation. I don't know if that's clear or if I've made too many things... Do you want to add anything?

Alejandro: Throughout this entire expository development of *Capital* shows this idea that elements appear as mutually external, and as the story progresses, unity emerges. In this case, it seems very immediate, but could it be that this pattern develops throughout the story, or is this a far-fetched observation?

JIC: I don't know if I would use "exterior." We've already discussed how the expository method that I think Marx uses a lot (but I don't know if it applies to what's here) starts with the immediate concrete as it presents itself, analyzes it, and in the first analysis, what appears is the commodity because there isn't a full development. There's an analytical process, and then there's the unfolding of the concrete forms that this determination reveals, until it reaches a point. In each part of the book, he reaches a point, and when he continues the unfolding of that same point, the way he presents the exposition is to return to the appearance of the immediate concrete, to do an analysis that is now brief because he quickly recognizes what he had been developing, and then he unfolds the corresponding determinations.

Chapter I has that unity: it begins with the immediate manifestation, the analysis—which does require considerable development—and then the unfolding of the necessary concrete form. When Chapter II begins, it starts with the entry into circulation, and it begins with the immediate observation that commodity owners seem to do whatever they want with the commodities, they dominate them, and immediately the analysis begins, saying: ah no, in reality these are personifications of the commodities. In Chapter III, in the section where the concrete forms are unfolded, what is shown is that this is not a simple organization of the process of social metabolism mediated by the production of value, by this objectified social relation, but rather that the purpose of production becomes clear: the production of the objectified social relation. But then it shifts gears and addresses the externality of the money cycle as capital.

I take this as a milestone: Chapter IV is analytical because it questions the necessity of what's right there in front of it, how it can be valued, where that value comes from; that it acts as a subject, but then what is the condition for it to act as a subject? That it can have a commodity that produces more value than what it's bought for, and so that commodity has to be labor power, etc. And it started with the immediate appearance, followed the process of analysis, and only then, in Chapter V, VI… all the subsequent chapters, is the unfolding of the necessity of

[217] Marx, K. (1977: 409).

capital. And in reality, when one looks at the production of relative surplus value… It repeats these things, because the chapter on the concept of relative surplus value is an analytical chapter, because it's about how the production of surplus value is multiplied, and so the productivity of labor has to be increased… and then it goes to the concrete form. Then, in the chapters we've been seeing, in general there's a certain step toward an immediate manifestation, but each one establishes the necessity of the one that follows. So, one could look at this, at what appears here, which is an assertion external to development. The need for this didn't appear in development, but it's clarified by saying: it has to spring from here, so we have to keep looking at the development of these contradictions to see where it leads. But I get the impression that this externality has another character.

It's not that it's presenting the immediate manifestation and saying that it contains this power. Here, the assertion is presented so immediately that it appears rather external. In some cases, there are certain external assertions; even in Chapter I, some assertions appear that are only later substantiated when one sees the unfolding of the value form. But I don't know if beyond this reflection… I would think that it's not the same externality that appears here in what we're specifically looking at, which is starting each unit of the exposition from the immediate manifestation. For me, this presentation has the virtue of synthesizing, in each little piece, the unity of dialectical knowledge, of the reproduction of the concrete through thought, and it has the problem that it can be seen as a leap, and that what came before is no longer… Nothing, on one hand there's the commodity and on the other capital, and the flow of the exposition is cut off.

Alejandro: Now I understand that observation you made there a bit better. But there's another issue as well… For example, the role of nature, which in the first chapters is mentioned as external to human beings, and only in Chapter V is this organic unity between human beings and nature pointed out, and here in this chapter a small observation reappears.

JIC: Anyway, in Chapter V… Consider that in the first chapter it's stated that material wealth is a product of labor and nature. So, since it doesn't focus on the concrete materiality of labor, but rather on labor in general, and when it refers to concrete labor it gives examples but doesn't define what labor is as such. It's true, for me it's preferable to put it first and not wait until we look at the capitalist form of labor, which, since it has the dual nature of being a material process, requires us to first examine the material process and then this relationship between human beings and nature emerges. I put it first because of the discussions about the immateriality of abstract labor. So, for me it's essential to start by establishing its material character.

There are several instances where things like this appear. In fact, legal forms, mentioned in Chapter II, are glossed over, and only then do they emerge in these chapters as forms that arise from the very movement of capital, not simply from the movement of commodities. And the state appears many times in Chapter III (I don't recall if it was already present in Chapter II as a general necessity), and the determinations of the state as a direct unit of this process of social metabolism, which is governed internally by an indirect social relationship, are not developed.

And indeed, in *Capital,* the state is mentioned numerous times, but not as a concrete form of capital itself, as the representative of the total capital of society; it appears externally.

So, we had this as a development of the contradictions themselves. Here, too, an expression appears that precedes this point, when it speaks of factory legislation "[…] as the first concession wrested with great difficulty from capital [218]." It appears as if capital were *yielding* to something that isn't its own necessity. That's the concrete form, but again, there it obscures the content of that concrete form… Which, firstly, is not a concession at all, but a necessity of the very movement of this social relation. That expression reinforces the image of the externality of the political action of the working class. And I think that, like everything else, it must be subjected to critique, and we must examine what consequences that type of expression has had for the political action of the working class itself.

In this development of direct regulation of social labor, which up to this point had initially unfolded as something affecting only the internal workings of the production unit, regulating factory work, what will be shown is how it transcends that sphere, where it seemed to clash with the right of capital to exploit. Now, through the development of home-based work, it appears to clash not only with this indirect social relationship, but also with bonds of personal dependence, because direct regulation seems to encroach upon paternal authority, since home-based work is subject to the prohibition of child labor, the obligation of education, and so on. And it says that this "intrusion" into paternal authority hindered the English Parliament from moving forward with all these transformations.

How does this transformation occur within these bonds of personal dependence? Within these bonds, a link emerges that is characteristic of mutually free individuals (as are legal relationships): the rights of children in relation to the authority of their parents. And so, where there is a bond of personal dependence—because these bonds continue to exist—it becomes the form of the general social bond. Minors, who are not free individuals because they cannot buy and sell commodities, nevertheless come to be recognized within the framework of personal dependence relationships with the attributes proper to free individuals.

Here again we see Marx's development of the process of human life under the capitalist mode of production, where he begins by saying: it is not the abuse of paternal power that necessitates its limitation, but rather the other way around. It is what the capitalist mode of production does to paternal power that necessitates its limitation. It transforms paternal power into an "abuse" by destroying the economic foundation upon which it rested in previous modes of production. And here the entire development of the contradiction of what the dissolution of these bonds of personal dependence implies emerges, and he says: "And, however appalling and repugnant the dissolution of the old family within the capitalist system may seem to us," it is... the rupture, the power inherent in the dissolution of that bond, because he says that

[218]Marx, K. (1977: 409).

> […] large-scale industry, by assigning women, young people, and children of both sexes a decisive role in the socially organized processes of production, thereby removing them from the domestic sphere, creates the new economic foundations for a superior form of family and of relations between the sexes [219].

And so, the collective worker, comprised of individuals of different ages and sexes, under that primitive and brutal capitalist form, will necessarily become "a source of human progress [220]." And the content returns, which is a development of generic human subjectivity, under the concrete form that simultaneously negates that development, which is the development of capital.

Javiera: It's not fully developed in these pages, but it raises important points. One of them is the issue of small capital, and how it will be swept away by the legislation, and this transformation of the family. And I think that this hadn't come up before in the context of child labor, etc. But here, this explanation that it's not the abuse of paternal authority that's being limited, but the opposite… I think those two things that emerge from the analysis are relevant. I imagine that this issue of how small capital is being displaced will be addressed in the second or third volume, but it's present here at least.

JIC: What we see here are the capitals that are immediately defeated by competition, and at the same time by the form that competition takes through direct state regulation. Because what is regulating many of these things are the forms of competition. The establishment of a mandatory workday prevents workers from competing with each other by offering capital their labor power through a longer workday. So, what we see here is this destruction, which doesn't appear as "small capitals" in this sense, but rather as the capitals and forms of production that become obsolete, that lack the capacity to incorporate machinery, and which, again, are eliminated by direct regulation as a form of competition, thus eliminating these capitals that are unable to keep pace with the general movement of accumulation.

Regarding this type of production… Because now we come to agriculture, where Marx will bring this up again, but with particular obstacles in agricultural production, and in Volume 3 there will be references to those who cannot remain competitive, and then towards the end there will be more references to producers… but mainly to the temporary subsistence of small-scale, peasant agricultural production. There are other references here and there, always linked to those who are being displaced. When we see in later chapters of this volume, when we see the concentration and centralization of capital, what happens to the capital that cannot keep up with this pace.

What follows in the development focuses on how factory law, initially an exceptional condition applied to certain types of production, gradually becomes a general law. It then becomes a demand from capital itself that this law be general in nature (the right to equal exploitation of labor, which we discussed earlier). With this general scope, the role of direct regulation reappears, no longer as a

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[219] Ibid., p. 410.
[220] Ibid.

limitation on the movement of capital, but as a catalyst for capital accumulation. This is because it drives the elimination of small-scale, individual production processes using outdated technology, thus becoming a powerful force in the process of capital concentration.

And here again the dual nature of this emerges: as it limits the last refuges of the surplus population—small industry and cottage industry—it undermines the very movement of capital because it fosters the antagonisms and contradictions inherent in the capitalist mode of production, and, he says, it fosters " *the creative elements of a new society and the revolutionary factors of the old society.* " [221]This is a statement that will later play a role; when we reach the relevant point, we will recognize this type of statement in the overcoming of the capitalist mode of production.

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[221] Ibid., p. 421.

[II]

[Alejandro asks about the education of the future and the need for gymnastics]

Gymnastics is part of the body's need for normal reproduction, with a further specific determination: the less manual labor a job involves, or the more manual labor it involves but is unilateral or partial, the more the body needs physical activity to function "normally." Therefore, the role of physical education is precisely this. Generally speaking, it appears as a condition for the development of the individual with the potential for their most developed physical attributes, and at the same time, it becomes increasingly important the less physical activity a job involves because it is manual, or in the case of physically limiting work…

One form of occupational disease is precisely the imbalance that occurs… It's very typical of intellectual workers who sit (and do it incorrectly) for too long, but it's also typical of manual laborers in the division of labor who, by constantly performing a unilateral movement, end up with a deformed body. An individual who only exerts force with one arm and performs the same movement ends up disrupting the unity of their metabolism, because on the one hand it's functioning very intensely and on the other hand it has no function at all. Thus, one limb atrophies while the other overdevelops.

Gymnastics plays this role, as a necessary form of physical activity, in contrast to work processes that eliminate everything that appears as physical activity—and all of it is physical, because “intellectual” work is also physical. It is very notable that in the 19th century, the concept of physical education's role emerged, particularly in German and Northern European society; it did not appear in these terms in other societies. There are even texts from the early 20th century that refer to the importance of gymnastics.

[Alejandro asks about the necessity of a certain form of gymnastics in one part of the collective worker in relation to other parts of the collective worker.]

Up to this point, the response has been generic to human beings, not specific to the worker except for the issue of occupational training. But the other response is a condition for the reproduction of the human subject. This other response relates more to what capital demands of the different types of labor power, and consequently, what constitutes a need from the perspective of the reproduction of that labor power, what is a use value for that reproduction, and what is not. We can revisit this when we examine the process of labor power reproduction and the worker's individual consumption.

10. Large industry and agriculture

A twofold movement will emerge regarding the power of large-scale industry in relation to the material conditions of production and the development of science applied to agricultural production. And the other issue that will arise… Because all

this development of the productive forces of labor is governed by the movement of capital, the same contradiction we have been examining throughout this chapter. On the one hand, we will see the conditions for the application of science, for the development of a collective work process, and the consequences of the capitalist form.

From the development of the productive forces, but also as an expression of the capitalist form of that development, will emerge the replacement of peasants by wage laborers. In this sense, what Marx will argue is that the development of large-scale industry in the countryside destroys, revolutionarily transforms, the foundations upon which agricultural production was based, thus giving rise to what will appear as the old society. The first transformation to occur in this regard is the displacement of peasants by wage laborers, and consequently, the transformation of the social relations that governed the countryside, which become assimilated into the antagonistic social relations that are developing or have already developed in the city.

As this transformation unfolds, what emerges is, first, what the development of large-scale industry is dissolving in agriculture. And the first thing it reveals is the structure of family production, the manufactured commodities produced by peasants. It is typical of peasant organization of production that, since agricultural production involves labor concentrated in certain seasons, the rest of the time the peasant family dedicates itself to the production of manufactured commodities. And large-scale industry will sweep away this form of organization and replace it with the conditions of production organization that prevail in large-scale industry.

What will emerge here is an effect not from the introduction of large-scale industry into agricultural production, but rather from the very development of large-scale industry, which triggers rural-to-urban migration and destroys what appeared to be one of the natural foundations for sustaining agricultural production itself, concentrating all the workforce in specific areas. The reference to the destruction of the "natural metabolism" between humans and the land isn't explicitly stated, but it alludes to the fact that when the rural population is abundant, one of the fertilizers for the land is human waste itself. As the countryside becomes depopulated, the possibility of humans naturally fertilizing the land disappears. What will replace this is the need, based on science and technology, to restore the balance between human life and nature. Because, as the text says, just as it destroys this natural balance between humans and nature, it physically destroys human beings themselves. And because it destroys these conditions, it has to regenerate them.

The other issue that arises is the function of the tool of labor as an instrument of subjugation of the worker. The tool, transformed into capital, turns the worker into an appendage of the machine, stripping them of their individual independence. While in the city this loss of individual attributes of the producer turned wage earner has the counterpart that, due to the concentration of workers, they develop their capacity to confront capital, in the case of agricultural production, this loss leaves the worker isolated, dispersed, and therefore without the capacity to collectively oppose capital.

And the argument, which is very critical in its approach, concludes that this is capitalist exploitation that destroys both the worker and the land; that when fertility increases through the incorporation of science and technology, it does so at the expense of diminishing the possibility of the permanent natural reproduction of that fertility. And the summary it offers is this:

> Therefore, capitalist production only knows how to develop the technique and the combination of the social process of production while simultaneously undermining the two original sources of all wealth: *the land and man.*

Marx is sometimes accused of being a productivist in debates about environmentalism and other issues, and this is a point that appeals to those who defend Marx in this arena. [...] I'll leave this question open for now, without elaborating until later, when we examine the subsequent transformations that capital accumulation has undergone: what is the limit to this destruction of nature and humanity?

[Alejandro mentions that overcrowding in cities made it impossible to manage the issue of sewage, referring to an investigation into the contamination of the water consumed by the workers...]

Yes, those were brutally the conditions, and they still are in parts of the world. For me, there's an expression Marx uses somewhere that leads precisely to the question of what capital, as a unified entity, does regarding the destruction of the environment. I don't recall where he says they've turned the River Thames into an open sewer. Why, at a certain stage of the development of the capitalist mode of production, did it cease to be so, and now one can bathe in it, and it has fish, if it was a necessity for capital to pollute it? And (I'm going to appeal to national sentiment here) why is the Riachuelo [222]still an open sewer despite the fact that it's been said for I don't know how many years that it has to stop being that? What are the concrete needs of capital according to the concrete forms its accumulation takes?

[Javiera comments that the idea of land and human beings as sources of wealth shocks her, given what was mentioned in another session in the first chapters about land having no value, and it was said that we would answer that later.]

Pay attention, because here we must distinguish between two things: the dual nature of the commodity as use-value and as value. What he's going to say is that land is the mother, and labor is the father of material wealth. Then he's saying the same thing, that he's destroying the basis of material wealth. Insofar as land is not a product of labor, land not transformed by human labor—or virgin land—has no value because it is not the materialization of abstract labor performed privately and independently. What appeared to be the case is that it has a price, and how can it be explained that it has a price if it has no value (because we said that price is the necessary form of value)? Other things appeared that had no value but a price, but

[222]I imagine he is referring to the Matanza-Riachuelo River, in the Province of Buenos Aires.

indeed, the answer to that part is in the final chapters of the penultimate section of Volume 3, if I remember correctly, so many years are still to come. […]

§5. THE PRODUCTION OF ABSOLUTE AND RELATIVE SURPLUS VALUE

Chapter XIV. Absolute and relative surplus value.

This chapter [...] will be a kind of synthesis of the determinations we have been discussing. [...] The first issue that will be developed is what human labor is from the point of view of the dual nature of the product in the capitalist mode of production: [...] when human labor is productive from a material point of view, and whether that condition alone makes it productive labor from the point of view of the capitalist social relation; who is the subject who produces from each point of view.

It will begin with the same point we've been making. The subject of material production is the worker, and labor, from a material standpoint, is productive insofar as it produces use values. In order to carry out this materially productive labor, the worker in the capitalist mode of production may not be performing manual labor, which here appears as the immediate expression of material intervention in the object of labor. Therefore, the collective worker, as a collective body, is productive even if some of its workers do not *directly participate* in the material transformation of the product. This is productive in the capitalist mode of production, even in the era of large-scale industry, from a material standpoint. But what happens from the perspective of the social form this takes? The first thing to consider is that it is not simply a matter of commodity production, and therefore what we saw in Chapter I—that productive labor was that which produced value—is no longer relevant here; here, only the labor (and the worker) that valorizes capital is productive.

If productive labor, from a material standpoint, is the exercise and affirmation of the generically human condition, then the social form of its organization appears as the negation of that condition, the destruction of the individual who works in their capacity as a human being. Marx then connects this to the fact that the concrete subject in the capitalist production process is no longer the worker, but capital: the valorization of capital is what governs the condition of the production process in which the worker affirms themselves as a human being, and this is done at the expense of the human being. That is why he says that being a productive worker is not a blessing, but a misfortune.

When we look at the production of absolute surplus value, it's surplus value as a product of capital, and production (and this way of presenting it is more pronounced in Marx) takes place on the basis of conditions not imposed by capital itself. What do we have? Well, the condition is that labor power exists (and its existence is not imposed by capital), that it exists in the dual condition of a commodity, and since there is no change in the technical conditions of production when one is looking at the production of absolute surplus value, what emerges is this: capital is producing under the conditions it found, which corresponded to the independent commodity producer. So, what Marx will argue is that for the

production of absolute surplus value, the only difference was the form of relationship between the direct producer and the means of production. The direct producer was a private owner of their means of production, and the only change now is a formal one: they are no longer the owner of those means of production.

Marx will summarize this by arguing that absolute surplus value simply implies the formal subjection or formal subsumption of *labor* to capital; there is only a change in the form of the social relation, not a change in the materiality of labor. He will further clarify that what is at stake in the production of absolute surplus value is the length of the working day, because the productivity and intensity of labor are given. In contrast, the basis of the production of relative surplus value is the permanent revolution of all the material and technical conditions of the labor process. Therefore, he will argue that the production of relative surplus value *is* a product of the capitalist mode of production. While absolute surplus value appeared to be based on given conditions, the production of relative surplus value is the very product of capital. Thus, this formal subsumption of labor to capital is not enough; what will now develop is a real subsumption—he will say—of the *worker* to capital.

I'm referring to this concept of the formal and the real. One can find traces of it in Hegel's work, only in Hegel it's presented as the process of the Idea's genesis, in which the Idea begins with formal externality and only develops initially as a *formal relation* in its content, only later developing through the *real determinations* of that content, revealing what is internal to that content. And it may be that this terminology is used here, although when one looks at it in the context of concrete movement, the explanation is also there: first, only the form of the social relation changed, and then everything is determined as an attribute of capital. When he says "real subsumption," it means that the worker is now determined as an element in the movement of capital. The worker is now a product of capital itself. If before he was the product of conditions external to capital, which capital subjugated, here the worker has all his attributes, his entire existence (which will appear later), as attributes of capital.

[Javiera asks for examples to clarify formal subsumption.] Marx takes it very strongly, although I have some reservations: let's think about when the worker appears as a seller of labor power. The value of labor power there isn't determined by the conditions of capital, in the sense that... how is the basket of commodities that the working-class family needs to consume in order to have labor power to sell formed? Because capital demands certain productive attributes from the worker. Marx doesn't develop it that way. He says: there is a condition of subsistence and the historical-moral factor. But his reference isn't to the capitalist mode of production, it's to previous social forms, to how they were accustomed, how that individual was produced. When he goes on to the development of the material process of production, simple cooperation appears, artisans who were previously independent (private owners of their means of production) and the only thing that changed is that they are now separated from the means of production. That's the only difference for the worker who enters for the first time into the production of relative surplus value in simple cooperation. Why does he make this argument?

In formal subsumption, the only thing at stake is the length of the working day, because it takes all the given conditions, formally changes the social condition of this individual—he is no longer free, now he is doubly free—but he works as that same individual. And, in fact, […] the development of the material process of production in the chapter on [absolute surplus value] [223]is a description of human beings in general (when it begins with the example of the bee and the worker, etc.), until at the end of that section it says: but here the worker works under the control, the direction of the capitalist […]. And that is where it shifts its focus to the other character of the production process, moving beyond the general labor process and into the valorization process.

This worker, who is neither a slave, a serf, nor a member of a primitive community… What we know up to this point is that the free artisan was a free individual working with their own means of production, but there is a change in form, and from there the whole development begins. When the development of relative surplus value in simple cooperation begins, what emerges is that this individual now experiences a change in the materiality of their labor; they cooperate with others, something the one we knew couldn't do. So, what is the conclusion? As they progress, the conditions of this worker are increasingly determined by the materiality of the capitalist labor process, and what will appear is that they are no longer an individual who possesses these attributes and whom capital appropriates: now they are an individual whom capital produces. *Truly,* in every respect, this individual is a product and an attribute of capital; capital produced them for itself.

Javiera: What I'm still unsure about is the difference between "formal" and "real." Formal refers to a change in form, but what about real?

JIC: “Formal” refers to the external: what “externally” changed (so to speak; it’s not quite like that). In the first case, a form of relationship changed, and in the second case, what that individual is changed; they were transformed and are a product of capital. So, it’s not something that capital… I put it in these terms: when you start with the production of absolute surplus value and capital appears (I’m going to put it in very loose terms), capital is the subject of this production, but it’s a “fake” subject, one that doesn’t set its own conditions; it’s determined by external conditions. When we move on to the production of relative surplus value, what emerges is that it’s not true that capital is that limited subject: it’s the complete subject, because everything that happens in the capitalist mode of production is a product of capital. And this is the difference between formal and real subsumption: from being a subject “ *subject* ” to all external determinations, it becomes a subject that sets all the conditions of its own existence.

[Ivan asks whether formal subsumption exists only in the early stages of the capitalist mode of production or whether it remains in force and continues to regenerate.]

[223]He changed the place a few lines, he got confused when mentioning where each thing took place.

Do you want me to go to the end of...? [Laughter.] The form remains the form of the capitalist relationship, but now what we have is a real subsumption, which has a form, but which springs from the content (one can put it very roughly in these terms). In formal subsumption, the form imposes the content, because it is external conditions that dictate how the worker can be exploited. In real subsumption, the forms are imposed by the content. This is presented externally, who imposes whom, but this is it. Later, some references will appear, because in Volume 3 there is some reference to the peasants... But it's not relevant to bring it up now.

[Alejandro asks what conditions we are referring to, if they are from the previous social structure, from the Middle Ages.]

It's also somewhat premature for a reason that will later become clear, and in fact, the expression will appear not as formal and real " *subsumption,*" but rather as "formal" and "real": how the form changed, what content changed. When one looks at the unity of what appears later, one says: it's concluding a development in which this proposition of real and formal subsumption had a role to play. Marx never explicitly states who he is referring to as the worker selling labor power when it first appears. He doesn't say: but this is the artisan from feudal society whom we've now put to work. The examples that appear are from the comparison (in the chapter on simple cooperation) between the artisan who works alone and the one who is part of the collective worker.

And there's also this discussion at play with those who say that Marx doesn't consider the capitalist mode of production... that there was an organization of social production based on the simple production of commodities, and when you look at Marx's development, he doesn't say it's a mode of production, but he's constantly referring to it... One might ask... Who is the commodity producer at the starting point? It's the artisan and the free peasant of feudal society, as if they were the entirety of society. They didn't exist as the whole, but that's how it's presented. Then, when he says that the development of the value-form is the development of the commodity-form, again one has... The development of the value-form reaches capital, and so it originates in the simple commodity, in its development. So, it's not absolutely explicit to say: "Let's start with this subject." The development begins with that subject, and he goes on to say that the conditions of this subject are that they are separated from their means of production and their means of subsistence; they are a free individual, who has the attributes that that commodity producer had. And then, once it's established how he works, he starts working under the conditions of a private and independent producer, except that he doesn't have full control over his individual work.

So, this development is always present, and when it ends, it will reappear very strongly. What I think poses risks regarding the fluidity of appropriating this development is precisely the degree of assimilation with a historical process that doesn't have the simple characteristics that are appearing here. One might say: it's the axis, the key to that historical process, and Marx will at some point say that this is the concrete form that historical development takes. I prefer an exposition that begins by stating: this is the worker that capital needs, I don't know where it

comes from, and since we haven't seen it make any transformation in the materiality of labor, it can be assimilated with what was the free artisan.

The argument of the need for subsistence and the "historical-moral" component has given rise to a lot of unfortunate arguments that abstract from the materiality of the labor process, that reduce value to something that exists only in the minds of individuals, and so on. Because the question is, what is subsistence? Subsistence is determined by what the individual is doing. So, to frame it as an abstract condition of subsistence, for me, is a way of saying that it's a given, because otherwise, we have to say: well, the worker needs to consume the things that reproduce their labor power.

To be able to place it within a framework where that condition isn't established as a starting point… And it is established that the problem of what constitutes subsistence arises in the historical context. It appeared in the developments of classical economics: they constantly refer to the natural price of labor (for Ricardo, that is the subsistence wage, the subsistence of the working-class family). Now, that subsistence is associated with a specific technical condition. And clinging so strongly to the idea that it comes first… It even exists as a historical process: that absolute surplus value comes first, and then relative surplus value appears as a product of historical development, has given rise to a series of arguments.

In Argentina, this idea is very strongly summarized by Mónica Peralta Ramos [224], who asks: what happened in Argentina from 1930 to 1970? There was a period of absolute surplus value production until 1950-60, and a period of relative surplus value production. And while there isn't this separation in historical developments, it gives rise to constructions that destroy the unity of the content. It's not Marx's responsibility to allow other individuals to do whatever they want with what's been proposed, but objectively, he has provided the basis, so to speak.

We need to see if the argument I'm presenting is coherent, because one would be presupposing something that one then has to elaborate on. But even if it were more abstract, not so much as a historical development, but rather this, when I look at it… I come from the simple production of commodities, which is the simplest form of social labor done privately and independently, its absolute form, and what I'm doing is moving toward a socialization of private labor. So, what follows from that is absolute surplus value, not as the historical origin of the capitalist mode of production, but as a development. When I look at absolute surplus value, it's no longer the purity of social labor done privately: now there's a socialization of private labor within private labor. And so, why not state that this is the axis… Marx says it in many places, but he doesn't present it as if it were the axis; when he refers to the axis, he presents it as a historical development.

Perhaps, after having developed the socialization of private labor up to large-scale industry, one can say that what we now have before us is this subject who we now see setting his own conditions. These are forms of presentation that have negative potentialities. Why do I look at the other one? Perhaps because I've seen

[224] A sociologist who, interestingly, is the aunt of Cayetana Álvarez de Toledo.

the things that can be constructed using the form of presentation that Marx adopts, how development can be emptied of content, etc. I am clear that when I look at the determinations of value, I say: we must look at the materiality of labor, because later we talk about the immaterial character of abstract labor, which is purely social, etc.; and, having seen that, one cannot disregard this. Marx perhaps does it more rigorously, placing each thing at the point where it appears in specific relation to the capitalist mode of production. So, labor appears in general when it comes to capitalist production.

I was going to make an observation about the term "subsumption." In translations prior to the 21st century, that word isn't used; instead, we find "submission" or "subordination," because the word "subsumption" didn't exist in Spanish. It's not in the Royal Spanish Academy dictionary either [225]. The term "subordination," etc., doesn't have the full meaning of the word "subsumption." "Submission" is closer; the word corresponds to something that is inside something else. "Subordinate" doesn't; there's an order in which one comes first and another later. But "subsumption," on the other hand, refers specifically to something being subsumed under another, something that is inside the other. It's not an external relationship, in which one external entity dominates another that is also external, but rather one is operating as an organ of the other. In this case, the worker is an organ of capital; what he is, he is because of capital.

[Ivan returns to the term "subsumption," which appears there in relation to the worker's economic activity.]

Ivan: [...] And sometimes in the literature on value chains, peasants and artisans appear as if they were at the lowest rungs, subsumed under the capitalist mode of production, but it's also a term associated with the active worker. But we can use it more generally: we are subordinate to capital regardless of whether we have an active role in the production of capital or not. That's what I thought, considering the development of the first chapters.

JIC: Later, I think it appears, in the section on land rent, with the peasants—beyond the way Marx uses the term—that the individual may not be *formally subsumed* under capital because he is not a seller of labor power. And it appears that he is *actually* subsumed because he is a product of capital, which produces him as a free commodity producer just as it produces the worker whose labor power it will use. That peasant is also a product of capital.

The same thing happens again: it's a term that has a "general" meaning, where the meaning is the difference we've been seeing so far between real and formal, or it can have an immediate concrete meaning in that, formally... the individual is not a seller of labor power, but an independent producer of commodities, not subsumed by capital. However, all the conditions under which they produce their life and their commodities, the price at which they sell, etc., are not the conditions of an abstract, independent producer of commodities: they don't sell them for their value, they sell them for a price determined by the concrete ways in which the

[225] It refers to an older edition.

price is determined in the capitalist mode of production. I couldn't answer now to what extent it makes sense… I have no doubt about the difference as a general content, as a general determination. In those cases… I would have to think about it. Today I would have some reluctance to use the same term, but I couldn't answer more than that.

Ivan: I also thought that even an unemployed person is subsumed within capitalist society.

JIC: That's something else.

Ivan: A worker whose use value is not recognized can also be considered subsumed under capital, not as a productive organ that produces surplus value, but as an organ that capital considers surplus population, and in that sense, he is indeed subsumed under the capitalist relationship.

JIC: So far, there's no reason. The possibility has emerged that the worker becomes surplus to capital, but the concrete factors that transform a mass of the working population into surplus haven't been fully explored. In any case, and to get ahead of myself, it's more likely that he's actually subsumed by capital; it's not a matter of not being "formally" subsumed. Once someone is truly subsumed, whether or not they're selling their labor power doesn't change that subsumption. The cardboard collector, formally, isn't a seller of labor power; he's actually subsumed by capital (and, moreover, he valorizes it). So, it makes me doubt even more the use of those terms to refer to this concrete determination. It's an attribute of capital, which produces him in this condition. So, I don't know if it's appropriate to use it or not, but of course he's subsumed in the full sense of the term. That's why I doubt whether that full meaning isn't emptied of content if it's reduced to simply stating that if he's not actively selling his labor power, he's not subsumed by capital.

Javiera: […] How can one be inside something “formally”, only in formal terms?

JIC: I don't want to go into the later part, but… If you look at the difference between a slave and a worker, as has already been shown here, in part, the difference lies in the way they are forced to work. One because they had a relationship of personal dependence, the other because they are doubly free. Now, if I look at them, the difference isn't merely formal: the productive attributes that one has are absolutely different from those of the other. The historical potential that each one possesses is completely different. So, they *really* are different. The key to what changed from one to the other, is it what changed formally or in reality ? That's where the use of the term comes in. If I want to explain it by saying that the form of subjugation changed, what I'm left with is that the worker's potential to overcome the condition of forced labor is the same as the slave's; I'm simply left with that condition. This is what appears in a lot of arguments like Holloway's with the scream: what changed is the way of screaming and the powers that one has do not play any role in this.

Actually, the term “real,” “realization,” has its problems because it comes from idealist conceptions. Because it's not that something is realized: what it can do is transform its form. And one says: “this determination/potential is realized…,” and what one is saying is that it ceased to be a potential, to exist as a potential in the present, to become an actuality: one is not saying that it didn't exist and that now it has reality. But well, these are the problems of language, which comes with its historical development, and it continues to be used in that sense. And here is another aspect of the term “real,” which is not “existent,” but rather refers to what happened to the content in one situation versus another. In one case, it appears that the form changed but the content is the same, and in the other, the content is not the same. [… [226]]

[Edgardo mentions that in Jorge Veraza's *Real Subsumption of Consumption under Capital,* the author states that the term comes from Latin and that Marx used it in *Capital*, not in German. JIC mentions how around the 1970s many translations appeared that included all this "economic-social" stuff, etc., with the aim—according to them—of opposing the classic "mechanistic" reading of Marx's writings. He also talks about a draft of a Marx text that Siglo XXI published as an "unpublished Chapter VI" of *Capital,* where Marx develops real and formal subsumption, and they said that Marx didn't include it in *Capital,* but it's much more developed in the work than in that draft. Then the discussion arose and the term began to be used.]

We're missing something related to the historical character of… whether these are separate stages of production. What does Marx propose, when is there relative surplus value? Only when there's a change in the technical conditions that allows for increased capital productivity. That is, once that change occurs, that surplus value is no longer relative, but absolute. And he says there are only two moments when what will appear as… what remains as relative surplus value? Every time a revolution takes place, or when an industry is taken over where production was only formally subsumed under capital, and its base is changed, creating a base that is, so to speak, properly capitalist. Relative surplus value arises and disappears as relative surplus value; it becomes incorporated as a normal condition of difference between the value of labor power and the length of the working day. Thus, relative surplus value is constantly regenerated every time necessary labor is reduced and surplus labor is increased. But when this became normal, it was no longer a change in the composition of the workday, now it was a change in the *normal workday,* which was going to be subjected to a new change, and at that moment there would be relative capital gain.

And here it will become clear that all commodities appear in the circulation as products of capital, of a production that is subsumed under capital. And capital appropriates the productive forces of labor not only through the technical transformation it carries out, but also insofar as that technical transformation is sustained by the appropriation of the productive forces that nature provides to labor, which will also appear as productive forces of capital. Both human beings and nature will be transformed into products of capital for capital itself.

[226]Iván's question about the edition from which the term originates, the debates surrounding it, and the subsequent discussion about the translations.

Alejandro: Could that be a concrete explanation for why economists perceive that those moments when both capital invested in machinery for production and nature itself appear as capital?

JIC: The mediations are more complex. Actually, we saw that today in the Volume 3 workshop [Laughter]. There's a whole mediation that, at this point, isn't even mentioned on the cover. But with this real subsumption, we see that the unity of the human life process takes the form of a process for capital. This capital is dead labor; it has an objectified existence in machinery, which confronts the worker as the bearer of productive powers that belong to the worker, but which confront him as an attribute of the machinery. It's a development of the productive forces of labor; the only subject of production is the human being, but these powers don't seem to spring from living labor itself, but rather seem to have been given to living labor by the machinery, and in turn, the machinery appears as if by nature it had the form of capital. So, effectively, all the productive forces of labor that are developing appear inverted, as if they spring from the machinery, which by nature is capital. It was explained in the previous chapter how all the productive forces are presented as if they were not part of labor, the worker appears to be losing his status as the subject of the material labor process, and those attributes appear to be placed in the machine.

[II]

Randy: I hadn't quite grasped the issue of form, content, potential... and a certain question of temporality in the sense that you said we shouldn't think of the first as formal and then the real subsumption.

Aristides: In several situations during the development, the issue of content and form has already come up, and here, when the term "formal" appears, it seems to refer to the same thing, but it's not exactly this issue of the unfolding of form and content. I wanted to ask about that again.

JIC: I'm going to repeat myself, but... This differentiation appears as a synthesis of the point at which progress has been made. Historical movement has, first of all, a diversity of concrete forms, and a movement that is not sequential in nature. Because the capitalist mode of production, in its historical origin and as it progresses through its historical development, develops by taking forms that in some cases play more or less central roles at the time, which do not imply formal subsumption in the sense that it is not a wage relationship, but the individual is under the "domination" of capital. This business of slave labor, the forced labor of the indigenous populations of America, all of that does not fit under either the category of formal or real subsumption in the sense in which we are looking at it.

For me, the key point is this: when one looks at the emergence of the doubly free worker, what changed is the way in which the direct producer is subjected to the condition of a forced laborer (and here elements, but not all, of the forced laborer's condition appeared), in which they organize their work and are forced to work. But then, the form that changes is that of the wage laborer; the way in which they are subjected has changed: one was a forced serf under the form of personal dependency relations, the other is a forced worker due to their condition as a doubly free individual. Up to this point, one hasn't seen, beyond the form, what happened to the determinations of what that worker is and what happens in the materiality of the labor process.

If I want to understand this condition, when I look at the movement, I have to see how the doubly free worker organizes their work process, and the first thing I see is that they work under the capitalist's command and that, due to the nature of their social relationship, they are subject to that domination. From this perspective, if I want to compare them to the serf, I have no other measure than that one has bonds of personal dependence and the other this condition of being doubly free. If I want to ask what it means to be subject to capital because one is a doubly free individual, I start with the simply free individual, the independent commodity producer, and I have to see what difference this worker has regarding the organization of their work compared to the free individual. When this aspect appears, the conditions for the reproduction of labor power, the conditions under which work is done, except for the fact that, since one is not a free individual, but formally, doubly free, this is all I have before me. These conditions have changed formally, but I don't know the essence of their change.

When I begin to look at relative surplus value, what appears to me is that, while I could previously examine individual labor, I can no longer do so: now I must examine collective labor; while I used to see manual labor, now I must examine collective labor produced by machinery; while I used to see an individual producing commodities, now I see an individual who, because he is doubly free, cannot produce commodities because he has become surplus. Where do all these determinations come from? They don't stem from the fact that he formally ceased to be a slave and is now a doubly free worker. His *very* nature has changed, because now all the conditions of his labor, of what he is, arise from the capitalist character of production. If I compared him to the simply free individual, I could see that, even in relation to him, the only thing that had changed was the way he worked: from being free, he now works under the command of the capitalist. When I look at relative surplus value, I no longer have the independent producer of production; nothing that occurs in the production of relative surplus value can be done by a commodity producer.

So, beyond the form, the change I see in the determinations of this subject is that this subject is a product of capital. And with relative surplus value, what will appear to me is that capital is a product of itself. Whereas when I looked at absolute surplus value, there was something that initially set things in motion, and they would start up again exactly as they were at the moment they began, not something imposed by capital itself. Every time they start up again with relative surplus value, it is the result of what capital did by transforming the material conditions of production in the previous cycle.

So, this is the difference. I can say that the emergence of the wage laborer is a condition for the development of capital and therefore for the development of relative surplus value. But separating it into historical periods, saying: up until now there was absolute surplus value and from now on there is relative surplus value, is what I'm saying lends itself to looking at processes in which the content of what happens has nothing to do with whether in one era there was absolute surplus value and in another relative surplus value; because in fact, when you look at it, from the very birth of capital, historically, there is production of relative surplus value; it doesn't just begin to take place at a specific moment.

The capitalist, as such, doesn't begin with an independent producer of commodities whom he has taken and now turned into his sole wage laborer. When capitalist production begins, it begins with collective labor. […] There are moments in which there are leaps in that development. Now, the “classic” historical division appears as having a period of manufacturing and another of the Industrial Revolution. And now, more than 125 years after that Revolution, there is a surge in the division of manufacturing labor, an explosion through the development of the manual assembly line. So, we can't simply say that there was a manufacturing period, because the machines also predated the capitalist mode of production. And the capitalist mode of production takes those machines and transforms them, precisely for the purpose of producing relative surplus value.

So, for me, the role of differentiation is that one discovers that from something that appears to be merely a formal difference—taking it in relation to the simple

commodity producer, it's a formal change, one that hasn't altered their conditions of production, except that they no longer have full control over their individual labor, even though they are a free individual, because they work under the control of the capitalist—what emerges from this is the content of that movement, what the capitalist mode of production actually accomplishes. It's not that they ceased to be a worker bound by personal dependency or an abstractly free individual and are now a wage laborer: that's the form, the first thing one sees when confronted with the simplest determinations of the capitalist mode of production. But as those simpler determinations unfold, what appears is that it's not simply that change; there's a radical change in the process of human life, of production, where everything is a product of capital, responding to the purpose of the movement of capital, which is to valorize and multiply itself.

So, that difference. I just saved a text by Hegel that I was looking at for something else… […] It's the chapter where he goes on to discuss the question of form and content, which, in my opinion, is where Marx might have gotten this from. First, he talks about the absolute ground (that's where the idea of form and content comes from), but the entire structure, all the chapters of Hegel's Science *of Logic,* have three parts. And the three parts, when divided, have three parts. Because that's what appears in Hegel's construction as thesis, antithesis, and synthesis (it's not exactly that). But here, what are the three parts of the determinate ground called? The first is the formal ground, which focuses on forms. And the note in this text (the notes are among the richest aspects of Hegel's development; they aren't footnotes because they're very long, they're interspersed throughout the text), is called "Formal Way of Explaining Tautological Grounds." Because what is the formal ground? It dwells on externality… Again, what I said last time: for Hegel, this is how thought develops. So, first, thought doesn't dwell on form, but rather develops as a formal thought that can only connect things through their externality.

Point b) is called "The Real Foundation." And it refers again to the fact that the first was a formal way of explaining based on tautological foundations, because in externality all there are are forms that cannot transcend themselves; everything one encounters is always present, nothing can have developed. The problem is that when one first looked at it, one didn't see what develops, but what develops is the same as what was already in the initial, formal foundation. And the note on point b) is called: "The formal way of explaining based on foundations different from what is founded." And this is the real foundation. And when it finishes and synthesizes this development, it is the integral foundation: it is the one in which the real foundation establishes the necessity of the formal foundation. The formal foundation is the immediate form, the real foundation is the content, and the integral foundation is why the content has the form it has. […]

So, this, for me, is the meaning of why Marx uses the concepts of formal and real subsumption. It refers to the structure Hegel gives to the matter, only here it's the other way around: I start with what changed in form, and now I see how the content changes. And in a way, the section that follows on reproduction is the unity of that which changed in form, springing from the movement of the content. What will emerge is that it is a doubly free worker. At the outset, all I had was the *form* of the doubly free worker: now I will have what it means to be a doubly free worker,

what the life of this worker is. Before, I had that capital produces surplus value; now, that surplus value produces capital, that this is the capitalist mode of production. When I started, it had the form, which is an amount of money that is put to work and produces surplus value, and when I see the content, what I see is that this is a unit that produces itself, it is not a starting point different from the result, that at most the result is incorporated into the starting point, but that effectively the result is the one that sets its own starting point.

For me, it's not simply a historical movement, and relating it to a historical movement has the problem that the historical movement then encompasses something else, that one is saying that in this historical period this didn't exist… but it existed fully; so why would I exclude it? “Fully,” what does that mean? In its primitive form, because it's still a form that can only now fully express itself, but it was already present in the 19th century, before the Industrial Revolution: the capitalist's need to advance the productivity of their workers. All the machinery that appeared in the Industrial Revolution had antecedents. When Marx talks about the production of relative surplus value, he's talking about how machinery was transformed; it didn't spring from nothing. What existed previously contained the seeds of what developed later; it's not a linear movement. This is my point of view on the matter.

I'll reiterate something I said last time: when Chapter IV explains the determination of the value of labor power, based on the desire to avoid delving into the movement of capital itself, and explains it in terms of a subsistence wage and a historical or moral factor… what constitutes a wage in the capitalist mode of production isn't explained there; that's explained in the following chapters. To the point that some argue—it's one of the current trends—that Marx never wrote the chapter on wage labor, where the "moral component" would have to be explained. And Marx provides a complete explanation of what constitutes a use-value for the worker. Up to this point, it's simply that the worker has to consume use-values that reproduce their labor power, but what that use-value is will be developed in the subsequent chapters. And then, adhering very strictly to the fact that no determination has been deployed that can account for that, at the same time, for someone who looks at it as a development in which there is something that is already given, put in a certain way, and then there is another stage… It lends itself to these readings that destroy the unity of development.

Alejandro: This explanation you gave regarding what Hegel develops in the *Science of Logic* reminds me of the explanation Marx gives in A *Contribution* to the Method of Political Economy. I don't recall if it was in the first or second stage, where he confronts certain forms, discovers the relationships between those forms, but then moves on to a content, which he finds, but then doesn't ask why the content appears in that form.

JIC: That's right. It's the same point he makes in Chapter I of Volume 1 when he refers to classical political economy and mentions Smith and Ricardo, who can discover the substance of value but can never answer why that substance takes the form it does. Only for Hegel, I repeat, it's reversed. Because he doesn't say: this is the process by which we confront this concrete thing and come to know it, but

rather it's the way in which we *generate* the concept of it. And then somewhere he says—I think it's in this section on form and content—: why doesn't one advance to this point? And his answer is: because there is an immaturity of thought, and when it matures it will realize that it has to advance to this point. In the meantime, it stops at the apparent foundations.

And for me, I always read the *Science of Logic* in reverse: I'm looking at this simpler determination, and what I have to do is accompany it in the unfolding of its movement. And when it appears that the answer remains at the level of form, and then when thought matures beyond it, I say: it's not that one constructed up to the form; there's a *need* for the subject to stop at the form or at the content separate from the form and not answer because of the necessity for that content to have that form. But I always found Hegel's development in the *Science of Logic very rich.* I always saw it as a development of the method of knowledge, not as a "becoming" of anything.

[Edgardo says he sees that Marx doesn't talk about real and formal subsumption as a historical development, that manufacturing and large-scale industry coexisted.]

JIC: Yes. I can look at it as the history of that development, but in my understanding, what's relevant is what it reveals about all aspects of the transformation of the materiality of labor under the capitalist mode of production. And then, whether that's the historical sequence or not… There are conditions for a historical sequence in those movements, but I come back to this. Marx posits, in the transition from the chapter on manufacturing to that of machinery, the reduction of all movement to a simple movement in manufacturing, and that's what becomes a mechanical movement incorporated into the instrument of production. The manual assembly line… one could say that the movement is the reverse: from seeing simplified mechanical movements, arises the possibility of transforming a collective of workers who perform simplified mechanical movements and putting them to work. To what extent is the division of labor on the manual assembly line not a product of the development of machinery? In turn, robotization is clearly a product of the development of the manual assembly line, of making that general movement of converting those simple mechanical movements into attributes of a machine.

So, one can look at it as historical processes, because something called the "Industrial Revolution" appears, where there's a leap in the development of machinery. But what's important when it unfolds is this: it goes from the simplest form of labor in the capitalist mode of production to the most complex, most developed form of labor in the capitalist mode of production, which changed in two ways: it was individual labor, and it's necessarily collective labor; it was manual labor (excuse me, because this isn't in *Capital)*, and the materiality of labor changed. The tool left the worker's hands and became part of the machine; the worker's labor became what we've seen so far: an appendage of the machine. And who develops the science to be able to take the tool out of the worker's hands and turn it into this automatic mechanism? So, the materiality of that labor changed; now it appears central to the development of production processes… Marx does

point out that to be a productive worker, it's no longer necessary to be in immediate contact with the production process. Now it's the collective worker who works together, and it's possible that the worker may not touch the tool but still participates; they are a productive worker integrated into the production process. That is the core of development, and for me, it's essential: what is being revealed about this way of organizing social life, what role it plays in the historical development of humanity.

Chapter XV. Change in magnitudes in the price [227]of labor power and in surplus value.

Let's move on to the chapter I was telling you about. While in these previous chapters content has been emerging and taking on a form distinct from itself, this chapter presents an analytical process, not one that merely follows a development. Every so often within this analytical process, the following appears: "Well, this encompasses this movement, takes this concrete form, and determines what we saw earlier, and now we have the reason why it develops this way." But it's also an analytical chapter on relationships between magnitudes, and therefore, what we have are quantitative relationships. And it's an analysis that revolves around what the change in quantitative relationships reveals, and it's rather lengthy in this respect. The structure is one of development that, unlike what we've been doing, has a strong character of logical structuring, which is done to grasp the determinations of the magnitudes and the relationships between the different magnitudes. So, it begins by establishing which qualitative determinations the magnitude will be examined from, and there will be three. But first, the relationship he's going to establish is what happens to the value of labor power and surplus value. What he'll always keep in mind is that surplus value doesn't determine the value of labor power, but rather the other way around, while still playing with this determination.

1) The first is the duration of the working day, which he will say is "the same as the extensive magnitude of work" (and he also owes that to Hegel, who speaks of an extensive magnitude and an intensive magnitude).

2) Regarding the normal intensity of work, he says that it is the intensive magnitude of the work, how the work is condensed into a certain amount of time.

3) The third is the productive power of labor or labor productivity, because the same amount of work, with the same intensity and duration, can yield different amounts of product/time.

So, everything is a quantitative relationship. And in this development of the movement, which appears as a simple quantitative change, we must distinguish things that may intervene, things that don't correspond simply or immediately to what we're looking at, but rather come from another source. And so, the first thing we'll look at in this regard is... because in the three determinations that were there (duration, intensity, productivity), the value of labor power didn't appear. So we have to look at what happens to the value of labor power, and we'll say that it's determined by the value of the means of subsistence necessary for the reproduction of that labor power under average conditions. The material content of that mass of means of subsistence can change, although we'll take it as a given factor; both can change, but we'll consider the changes in the value of that mass of

[227]Juan later corrects this, because what Marx is looking at is the value, not the price of labor power.

use values, we'll disregard the changes in the content, in the character of those use values, we'll keep it fixed.

There's a point here that has given rise, in the discussions in Volume 3 on the transformation of values into prices of production, to the assertion that Marx says the means of subsistence of the workers are given at a certain moment, and therefore are an element independent of the change in the value of those means of subsistence. And what one has before oneself (this isn't to get ahead of myself, but to clarify why I'm bringing it up now) when one analyzes the process by which values take the form of prices of production, is that, essentially, in that movement, the fact that the price of production differs quantitatively from the value affects which use values are consumed. If a commodity becomes cheaper, its consumption will increase, and if it becomes more expensive, it will decrease—as a general rule. And that therefore, the materiality of the unit of social production and consumption will change if the commodities, each of them, are not sold simply for what we know so far —proportions of socially necessary abstract labor materialized privately and independently in it—, but will change on the basis of another proportionality.

issue will appear, although there won't be any further development. What we've seen so far clashes with what everyone knows, but we can't address that here; we'll have to do it later. So, we're going to take up this idea that Marx is using, but with this caveat. He'll make it more explicit when he refers [in Volume 3] to the fact that in competition, both in the domestic and global markets, "it is the given and assumed magnitudes of wages, interest, and ground rent" (which hasn't appeared here; we're talking about labor power and surplus value) "that enter into the calculation as constant and regulating magnitudes [228]." So, this point will appear, which we have to set aside [...].

What happens in any analytical process involving the relationship between magnitudes? There are three "factors" (it's entirely external), and to analyze one, you look at how it varies while keeping the other two fixed. Then you have to take one of the factors that was previously kept fixed and analyze its variability, again keeping the other two fixed… until you look at each one as a variable while the other two are fixed, and finally, you look at what happens when all three vary together. And secondly, what it proposes is: each of these three factors can vary in different magnitudes, but also in different directions: it can increase or decrease, and it can do so to a greater or lesser degree, and each of these cases will have different effects on the result: what will happen to the value of labor power and, consequently, to the rate of surplus value.

[228]Marx, K. (1965: 807), *Capital,* Volume 3. Mexico: FCE.

A. Magnitude of the working day and intensity of labor, constants (given); productive power of labor, variable.

The first independent variable to consider is the productive power of labor, holding constant the length of the workday and the intensity of labor. If labor productivity changes, a different mass of products is produced in the same amount of time with the same intensity, and consequently, the value—Marx refers to it as price, but it is value—of each unit of commodity will change. If labor productivity doubles, the value of each commodity will be halved; if productivity falls by half, the opposite will occur. But what one must keep in mind is that, since the length of the workday is fixed, the total value remains the same, only distributed across a greater or lesser number of units.

What follows, then, is how this change in labor productivity will be reflected in the value of labor power. Given the other two conditions present, the value of labor power can only decrease, and with a given workday and intensity, surplus value can only increase, if labor productivity increases. No element under these conditions can increase surplus value. And this is where the clarification comes in regarding the fact that movements in surplus value are a consequence (never a cause) of the opposing movement in the value of labor power. To put it in terms of mathematical relationships: the independent variable is the value of labor power, the dependent variable is surplus value. So, the movement here, under these conditions, is an opposing movement. But in the external quantitative relationship, where the causality of the movement is not present, it simply appears as one going up and the other down, one going down and the other up, and it becomes unclear which is the independent variable and which is the dependent one. Every change in the magnitude of one implies a change in the magnitude of the other, which no longer appear as relative changes, but as absolute changes: this changed, this changed. Marx then emphasizes that what always underlies this is that the independent variable, even though it is not made explicit in this relationship, is the change in the value of labor power.

How does the change in labor productivity affect the value of labor power? It makes the means of subsistence for workers cheaper. He points out again that the mass of those means of subsistence does not change. […] What Marx will point out here is that he said in the analysis that the mass does not change, but the mass of both the means of subsistence for workers and the mass of use values that bear surplus value can change without the price of labor power changing and without the surplus value changing in its absolute magnitude.

That is to say: let's suppose that the productive power of the labor that produces the means of subsistence for the workers doubles. The value of labor power should fall by half with the same mass. But it can happen—he says, “analytically”—that if the value of each unit is halved, the worker receives twice the means of subsistence he received before, and the price of his labor power appears unchanged. The proportion of the paid day that falls to the worker appears to be the same as before. But this, given a change in the productivity of the labor that produces the means of subsistence for the workers, means that the mass of use values that the working-class family can consume has doubled. So, we have

this caveat: one may be looking at a non-movement in the price of labor power, see that there is a movement in the productivity of the labor that produces its means of subsistence and that should decrease the value of that labor power, the value of that labor power did not change, so —let's put it in simple terms— the mass of use values that the worker is receiving in exchange for his labor power increased.

Later we will examine the extent to which this occurs in the historical development of the capitalist mode of production, because there is a whole phase in which this plays a role, at least in what can be roughly measured based on statistics that refer to concrete forms—not the value of labor power, nor surplus value, etc.—but which one can use, *with many caveats,* as indicators. A phenomenon of this nature will be observed. But this is precisely one of the elements that, if the mass of use values were left static, would not occur. However, here comes the point where we must explain that it is possible that this mass has not remained static. Having made this caveat, what we have is that the movement of the value of labor power can continually decrease in relation to the equally continuous increase in labor productivity.

As Marx progresses with this, there's something that goes beyond what he's developing, beyond the problem he's examining, because what we've been following up to this point is the determination of capital, which already presents a contradiction in what we've been seeing: capital is a mass of value that, when we look at it in circulation, generates more value in relation to its total magnitude, and this is measured by the rate of profit. But when we examine how capital produces itself, we see that there's a part of capital that is dead, constant capital, which is incapable of valorization, and that only the valorization relation of capital is an attribute of the capital invested in the purchase of labor power, of variable capital. But here Marx will refer to the expression of surplus value with different rates of profit, that the same rate of surplus value is reflected in different rates of profit, and that different rates of surplus value can yield the same rate of profit. And when one is looking at these movements, one is looking at them in relation to capital as variable capital, which is the part that is capable of valorization, but one must also take into account that there are movements in relation to capital in its condition, as it appears in circulation, as a mass of value that valorizes itself. This is what I mark as the axis of the point at which the change in labor productivity is developing, and what follows is the change in the intensity of labor.

B. Working Day, constant; productive power of labor, constant; intensity of labor, variable

What happens with the increase in labor intensity? Since labor productivity doesn't change, only the intensity, more labor will be expended in a given workday, materialized in more units, but in each unit, because the production technique remains the same, the same amount of labor will have been expended. Therefore, it will be argued that if the workday remains the same—and we assume it does—a more intensive workday yields a greater mass of value. And it says: if the value of money doesn't change, this will be expressed as a larger mass of money.

labor intensity and productivity is that, in the case of a change in labor productivity, more units are produced in a given workday over a certain period, but the total value produced remains the same, and each unit contains a smaller amount of value. However, with a change in labor intensity, a greater quantity of product and value is produced in the same workday, but the value of each unit is the same as when the work was done with less intensity. And this greater amount of value is materialized in a greater amount of money.

What happened to the price [229]of labor power and surplus value? What can happen is that the price of labor power increases in the same or a different proportion depending on the increase in intensity, and that surplus value increases. Because now there is a larger mass of value, and also a greater expenditure of labor power. Consequently, the proportion of paid and unpaid labor performed by the worker increased. If the paid portion increased, the price of labor power will have to rise proportionally, and since the unpaid portion increased in parallel, surplus value will rise. And what Marx will develop is that this increase in the price of labor power can imply a decrease in the value of labor power, the payment of labor power below its value. Because the intensity of labor may have increased to *such an extent that proportion,* and instead the price of labor power has increased in a *proportion insufficient* to compensate for that accelerated wear and tear.

Alejandro: [...] and if the mass of surplus value and the price of labor power increase in the same proportion, does the rate of surplus value remain the same?

JIC: Indeed. But the value of labor power due to increased intensity can have... The consumption of additional use values that this requires may not be directly proportional to the increase in intensity. I use this to give a very broad example: a worker needs housing. The increase in labor intensity may not be reflected in an increase in the value of labor power in terms of the need for housing, which remains the same regardless of how intensely they work. It must inevitably be reflected, however, in order to maintain the value of labor power, in the fact that the individual needs to consume more immediate use values because they are more worn out, they need to eat more, and these additional foods may be proportionally much greater than the normal amount they had to consume up to that point. And it may happen that they need to consume use values that, until this increase in labor intensity, were not part of their consumption, and now become a condition for reproducing that labor power [230].

When we finish this section, I propose that we look at the question of method and what transformations there are in the materiality of labor that go beyond what appears in *Capital,* and consequently what transformations there are in what a worker is, what a capitalist is, and what capital is.

Alejandro: Are there ways to objectively measure the intensity of work?

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[229]He apologizes because he constantly says "the value" but the text shows the price.

[230]For example, I can think of use values that serve to prevent or treat injuries: pharmaceutical products, gym memberships, expenses for physiotherapists and psychiatrists...

JIC: It depends on the form the increased intensity takes and the form the work takes. There would be a way to measure it if the individual were connected to a device capable of measuring their energy expenditure. That would be one way to measure how much it varies. There's an indirect way to look at it: if they were producing 10 units and now they're producing 12, you have to assume that their work intensity has increased by 20%. But these are all relative measurements. Because there can be different ways in which work intensity increases… I'll take an example from the work I'm doing: the intensity of work in teaching. A course of 20 or 40 students entails a marked increase in work intensity; it doesn't double, but it's clear there's an increase. Now, you can't measure it directly… unless you measure the energy expenditure of that person. So, there are forms of work where the intensity has different characteristics.

I'm going to complicate things a bit, but when Marx argues that it takes the same amount of time to produce each unit because labor productivity hasn't changed, what emerges is how to increase labor intensity without changing productivity. Because one way to increase labor intensity is to increase the speed at which work is done, and this increase means that each unit takes less time to produce. That's the thing: the same amount of labor is expended because the individual is applying their labor power more intensely, but when you look at it, it's very difficult to say: the problem here is that productivity or the intensity of this work has changed. The individual works faster, which implies a condensed expenditure of labor power. But there's another aspect to increasing labor intensity, which is idle time, the gaps in the production process. And one of the sources of increased labor intensity is the elimination of idle time. This does not mean that the individual now works faster and expends more labor in less time on each unit, but rather that they produce more units because previously there was an expenditure of labor power that was lost from the point of view of production, or there was no such expenditure.

This question arises: let's suppose that on a manual assembly line, the individual is waiting for the part they have to work on. During that time, they are expending some labor power, because simply being alive involves some wear and tear. But if, instead of waiting, the individual has to work, they will have expended not only what they already expended, but more. Then, a series of movements emerge that, when examined in concrete processes, make it difficult to distinguish whether the individual is intensely expending their labor power on each unit they produce, and therefore expending more labor power during the workday, or whether they are expending more labor power because they have less downtime (during which they would be expending some labor power, but not to the full extent required for production).

So, when you try to measure all these issues concretely, more or less significant complexities arise. Often, from the perspective of capital, which is what measures them, the outcome is irrelevant; what matters is the result. Therefore, one of the tasks that emerges with the development of the manual assembly line—methods and time studies—is how to make the work as intensive as possible. This involves both reducing the time each worker spends on each piece because it's more efficient, and eliminating downtime. One of the key aspects of the manual assembly line is that the worker repeats the same movement in the simplest way possible, as

closely as possible to the actual movement applied to the workpiece. The worker shouldn't have to leave the line (to give an absurd example) to fetch the material they need to process and then return, wasting time. All these factors contribute to modifications in work intensity.

Alejandro: Is the improvement in the elimination of pores during the day an improvement in intensity or also in productivity?

JIC: In principle, if it's purely about saving on porosity, it's an increase in intensity. The thing is, often, to avoid porosity, you have to change the production technique, and that can lead to an increase... That's why it's difficult to then look at specific cases and distinguish between them. In general, we'll see that the increase in labor intensity is strongly supported by changes in production technique.

What will emerge is that changes in labor productivity affect the value of labor power, provided that these changes occur in sectors that directly or indirectly produce the means of subsistence for workers. Conversely, when labor intensity changes—and here we'll see the added element of the length of the workday—because there is a greater amount of labor applied, there is a greater amount of value produced, and regardless of the sector of production, there is more surplus value overall. In the case of increased productivity, there is never more value, but rather the same amount distributed across more units, thus decreasing the value of labor power. In the case of intensity, and this is reflected in the length of the workday, there is more labor, more value, and more surplus value.

We have that when a change in labor productivity affects the value of the workers' means of subsistence, the rate of surplus value changes in all branches of social production. When does a change in the intensity of labor have a general character, increasing the rate of surplus value? When this change doesn't occur in a particular branch but is general in nature, when it becomes the normal intensity of labor-power expenditure and enters as the normal condition of value production. It doesn't appear as something that has spread: if it becomes generalized, this is the normal condition—that this amount of labor is expended and this quantity of units is produced, compared to the previous condition, in all branches of social production.

And here's something that will come up again later: what happens to the intensity of work when comparing different national contexts? It's assumed here that productivity is the same in all these contexts. And what will emerge is that where work is more intense, it will materialize in a higher monetary value, a greater sum of money than in a less intense workday in another country. If two countries have the same labor productivity, the length of the workday is the same, but the intensity is greater in one, the total value will be greater in that country than in the other.

C. Productive force and intensity of work, constant; working day, variable

Under these conditions, a reduction in the working day without a change in the price of labor power does not change the necessary labor time; what it does do is reduce surplus labor and therefore surplus value. The next alternative is to lengthen the working day while keeping the price of labor power fixed, and consequently, the quantity of surplus labor and surplus value increase both absolutely and relatively. But if this lengthening occurs while the price of labor power remains constant, what is happening is that labor power is being paid for below its value. And this other issue arises: since the working day has now been lengthened and there is a larger mass of use values being produced, it is possible that the price of labor power and surplus value may increase simultaneously, whether or not in the same proportion.

Here is an analysis of what the increase in the working day implies in terms of the strain on the workforce. This strain is not proportional; rather, it becomes increasingly intense. Consequently, to sustain that workforce operating for a longer workday, the value of that workforce increases more than proportionally. This is the case with overtime, where a certain degree of extension of the workday... In practice, the collective bargaining agreement, at least in Argentina, recognizes that the strain increases by 50% in that portion (we will see later how the price of labor appears), and that more hours must be compensated by doubling the price paid compared to regular work. All of this is mediated by the fact that what is paid is the value of labor power, and it appears as the price of labor. The same occurs with jobs where the workday is shorter because it is recognized that there is a level of work intensity that cannot be sustained within the standard workday. We will see both aspects in what follows now, when two begin to vary together and one remains still, and then if all three move together.

[...]

D. Simultaneous variations in the duration, productive force, and intensity of work

Here it's important to emphasize, regarding what Marx is going to argue, that if the analysis were to stop here—because it seems to be simply a matter of looking at these movements as a whole, and it would be a formality to continue developing them—if one were to remain focused on these isolated movements, what would appear is the possibility of transforming development, by cutting it off, into an ideological facade that is used by the apologists of capital. Because up to this point, the length of the working day has appeared in isolation from the increase in labor productivity and the increase in the intensity of labor. And what will appear in the analysis now is the central role played in the movement of the production of relative surplus value by an increase in the intensity of labor such that it can only be sustained with a shorter working day. And the ideological content is that, then, someone can present the shortening of the working day as something that capital gives to the worker because it is generous, when in reality it is sustained by the increase in the intensity of labor. And Marx is going to make this reference to the arguments used by the apologists of capital against the length of the working day, who forget how this shortening is determined by the increase in the intensity of labor.

Marx will go back by taking the movements of these three variables, and will consider first:

1) Productivity ↓↓ — Working hours ↑↑ [231].

So, what will emerge here is that if the working day is extended, there is a greater mass of objectified value in the total value of commodities produced, but if productivity decreases, the quantity of units produced may be smaller. Therefore, the total mass of surplus value may remain the same, but proportionally it may now represent a smaller part of the total value produced, or the proportion of total value may remain the same, but its absolute magnitude may have increased. And it depends on how much the working day is extended whether one or the other occurs.

And now comes the development of what is key in the historical development of the production of relative surplus value through the machinery system:

2) Intensity ↑↑ — Productivity ↑↑ — Working hours ↓↓.

The increase in intensity and productivity leads to a multiplication of the material mass of product manufactured in the same amount of time, and consequently, both reduce the portion of the workday that the worker has to work for themselves. Here, an analysis of the “absolute” determination of the reduction in the working day will emerge. This absolute reduction, in abstract terms, means that the working day will only encompass the necessary labor. But this will be linked to a higher form of social organization, one that has transcended the

[231] Decreases or shortenings = “ ↓↓ ”; increases or extensions = “ ↑↑ ”.

capitalist mode of production. What will become clear is that, on the one hand, the worker would have better living conditions, greater demands, and because the portion of surplus labor generated by the social fund to build reserves for unforeseen circumstances and expand social production would have to be incorporated into the necessary labor. And what will be argued is that with greater productivity, the working day can be shortened, and the intensity of labor can increase.

Up to this point, [...] the capitalist mode of production appeared as a way of organizing social life that had no limits to the increase in the intensity of labor. Now, this limit emerges: that such an increase cannot be sustained indefinitely. The other aspect that will appear is: so how is labor productivity increased? By economizing on labor, which not only includes economizing on the use of the means of production—requiring less total labor relative to the labor necessary to produce a commodity—but also what we are talking about: eliminating useless expenditure of labor power from the point of view of production. Then, the contradiction arises in which, on the one hand, the capitalist mode of production, with its anarchic way of establishing the unity between social production and consumption, of organizing production, wastes social labor on all sides: it wastes labor power, it has unproductive jobs—which are inherent to the capitalist mode of production and would not be necessary in other forms of production organization. Therefore, it multiplies the tasks that the worker has to do so that there is no useless work and at the same time wastes productive forces of labor due to its own nature.

And here comes a point we need to pause and consider. It argues that, with a given level of intensity and productivity of labor, the working time necessary "for material production" will be shorter, and conversely, the portion of time that can be dedicated to "the free spiritual and social activity of individuals" will be longer [232]. And it says [paraphrasing the quote]: the more distributed the total labor force of society is among the various individual members of society, the fewer of them will be excluded from participating in the production process. And that in the capitalist mode of production, if any class has free time, it is at the cost of converting the entire lives of the mass of the working population into working time. And this reference to the free spiritual and social activity of individuals appears. And it contrasts this with material production.

These references lead me to wonder what this “free spiritual and social activity” is. One can associate the term “free” with “conscious,” the exercise of the generic human being as an activity conscious of its own determinations, where the purpose of human life is not work, but rather work is the means to human life. In Volume 3, a similar reference to this regarding freedom reappears. If consciousness and will constitute the capacity to organize the process of social metabolism, what activity is there that is not part of that process of developing the capacity to govern that process of social life through work? What is this activity, which, according to Marx, is the full development of human activity?

[232]Marx, K. (1977: 443), *Capital,* Volume 1. Mexico City: FCE.

This is reminiscent of what, if I remember correctly, is in *The German Ideology,* also referring to whether everyone works in society or not, and the division between the one who performs immediate work—which at that time even appears as manual labor—and the one who performs intellectual work, a thought that appears there as "philosophical", where what Marx proposes regarding the development of society and referring to the mutilation of the productive attributes of individuals through the division of labor [is]: that the individual cultivates in the morning, is a weaver in the afternoon and at night is a "critic ", as if there were a separation between the work that produces use values that reproduce human life materially, and another form of human activity that is not work, and which at some point Marx will associate with artistic expressions and with abstract thinking.

The other point I want to clarify is this assertion that the working day should be shortened based on increased productivity and work intensity, and the larger proportion of the working population. This might be seen externally as a moral judgment, but what Marx is actually doing is presenting a purely mathematical proportionality. He is objectively stating the unity of these factors; there is no moral content involved.

Chapter XVI. Various formulas for the rate of surplus value.

Let's move on to the last chapter [of the section]. I'm going to focus on just the central point. We saw in the previous chapter that it has an analytical character, and it deals with the relationship between magnitudes, with the absolute change in magnitudes and what relative change then occurs in the rate of surplus value. And so, what Marx is going to emphasize in this chapter, in which he compares different ways of measuring necessary and surplus labor time, the value of labor power and surplus value, is the critique of... I'll put it in these words, which are in modern usage: the question of the relationship between the value of labor power and surplus value, necessary labor and surplus labor, necessary product and surplus product, is viewed as if it were a problem of the distribution of the value product. This is what appears under the name of "income distribution." Is the difference between the value of the product and the value product clear?

The value of a product includes *all* the socially necessary abstract labor expended to produce it: it includes the labor done to produce the means of production being used, plus the living labor being applied to the production of that commodity. From a capitalist perspective, this corresponds to constant capital + variable capital + surplus value. The value product is the new value generated, part of which corresponds to the value of labor power and part to surplus value. What Marx criticizes is relating surplus value, or the value of labor power, to the total value product; that is, taking the value of labor power and dividing it by the value of labor power plus surplus value. It then appears that instead of being a process of extending the working day beyond what is necessary for its reproduction, it seems to be a simple distribution of a product that does not necessarily arise from the worker's labor, but is simply a part added to... that there are other "factors" (Marx will use these terms) that intervene in the creation of that value.

In the neoclassical theory of the factors of production, this is precisely how it appears. In Adam Smith's case, there are two contradictory explanations. In one, all value-generating products are products of the worker's labor, and it appears as a distribution problem in which a portion is subtracted from the worker, constituting profit and land rent. He doesn't speak of surplus value because it doesn't appear to him as a result of extending the workday beyond what is necessary; it seems to him to arise from the given normal working day, and so this is what exists. But in one version, the capitalist appropriates the product of the worker's labor in this distribution, leaving the worker with only a residue, while in the other version, it's directly the opposite: there are factors of production, each with its own productivity, and only the worker's wage is a product of labor; the rest is not. Therefore, it is characteristic of all classical economics to view surplus value as a deduction made from the product of the worker's labor, when in fact it is a surplus that the worker adds with their labor to the necessary product. This discussion with classical economics underlies all of this, and at the end of Volume 3 there is a chapter dedicated to criticizing this appearance that it is a question of income distribution and not of overcoming the capitalist mode of production.

[Transformations in the materiality of the worker's labor]

Do you want to discuss anything? If not, we'll end this section on relative surplus value. If there's nothing, let's move on to look at the transformations in the materiality of the worker's labor beyond what Marx develops in *Capital.* There we see the worker losing their individual productive attributes, the productive forces of the social character of labor multiplied, but those of the manufacturing worker mutilated; and the worker in large-scale industry transformed into an appendage of the machinery, no longer the active and immediate subject of the object's transformation, but rather someone on the sidelines where the transformation occurs. That is the product of their labor, because the worker who works is the sole subject of production. Some transformations have appeared with the development of machinery: one is that of maintenance workers, who possess some scientific knowledge and some artisanal skill; And, universally, there is a need for the worker to undergo a formal education, given that the school in the capitalist mode of production is a caricature of the school of the future, offering only elementary instruction in arithmetic, reading, and writing. This is what we have so far.

We simultaneously face the open question of who is the subject of scientific production. The capitalist, as already established by the ideologues of capital, is not the bearer of scientific knowledge; they appropriate it for free. And the worker, given the circumstances we've been discussing, also lacks the attributes to be the subject. So, who is this subject? Asking this question is, for me, the key starting point for examining what has happened to the materiality of labor. Because up to this point, we've only seen capitalists and workers. Within Marxism, there are arguments regarding the petty bourgeoisie or the middle classes… Marx defines the middle class as the small, independent producer of commodities, which might be referred to as "small capitalists." And then proposals like Lenin's appear, that since the development of the revolutionary consciousness of the working class requires scientific knowledge, that consciousness must be brought by the most "enlightened" members of another class that is not the working class to the working class, because the working class, with its practical experience, in Lenin's terms, can only develop a *trade-union consciousness,* which deals with the immediate conditions of selling labor power, but cannot see beyond that.

These arguments continue to surface, and it's debatable whether Lenin was referring to the Russian working class of the 20th century, which was indeed a mass of individuals with widespread illiteracy and virtually no access to education beyond the elementary level, and whether it was only applicable in that historical context. Some argue that it remains applicable today. Then there are arguments, like Braverman's [233], that an individual who performs "creative," diverse, non-routine work is not a member of the working class (though he doesn't specify where they belong), and that if their creative work is replaced and they now appear as an appendage of the machinery, then they are indeed a member of the working class. And there are arguments regarding the development of classes or social strata that are not part of the working class because they are responsible for the development of science, the management of capital flows… Something that…

[233]It seems to refer to Harry Braverman.

Let me put it this way: properly understood, overcoming the capitalist mode of production implies that if what we have here is an autonomous and indirect organization of the unity between production and social consumption, then social labor is set in motion as a process whose immediate purpose is not the production of use values for human life, but rather the multiplication of that capacity to set social labor in motion as something that cannot be controlled, where individuals only act as personifications of that social relation. If there is any possibility—which has not yet appeared, or has appeared but we haven't stopped to consider it—of overcoming this mode of production and the mutilation of the productive forces it entails, this overcoming involves a conscious organization, an immediate unity between production and social consumption, a social relation in which the individual does not recognize themselves as an organ of the social life process […] as an attribute that is placed in the commodity they have to personify, and then in capital. This conscious organization requires the development of a scientific consciousness; therefore, the revolutionary subject of the capitalist mode of production must be the subject of the production of that scientific consciousness.

There's another perspective that argues that because social relations will be so clear, scientific knowledge won't be necessary; everyone will immediately understand what it is simply by looking at it. But if we consider Marx's argument that in such a society social needs multiply extensively and intensively, the complexity of this process is far from the transparency that would render scientific knowledge unnecessary. Therefore, if we consider this possibility, the subject of developing the capacity to scientifically organize social production is the subject who possesses the productive forces that take shape in a higher mode of production. And if the working class weren't the bearer of scientific knowledge, to assert that is to assert that the working class cannot act as a revolutionary subject; rather, it would be the other, the one who creates the conditions for the conscious organization of the social life process.

So, it is in response to this that I will present a proposal, which is that none of this is a problem of abstract knowledge of what is happening in the process of social production, but rather the problem of organizing the political action of the working class as a revolutionary subject. Let me clarify again: if it could be. We don't know if it can or not; we have to keep moving forward. But if it can be, this is a condition. We have always said that the development of knowledge is the development of the capacity to organize action, and what is at stake here is the overcoming of the capitalist mode of production.

Alejandro: Regarding that question, my understanding is that in *Capital,* up to this point, the misery of the working class is emphasized. For me, that's very clear, and it has a similar exposition to the *Manifesto.* What I'm not clear on is this issue with Braverman; I didn't quite understand if he was referring to the idea that a worker is only a worker if they get their hands dirty… I understand that, since this degradation in the living conditions of the working class is highlighted, in Braverman's work, it appears that this degradation corresponds to the industrial worker in a specific sector; that's why he focuses on that worker and doesn't go any further.

JIC: I'd like to clarify: Braverman does an excellent study of the division of manual labor (Taylorism), but then he tries to explain what role that plays in the historical movement and makes these assertions. It's somewhat prior to everything that will emerge very strongly with a transformation in the materiality of labor, which is the disappearance of the manual assembly line, its robotization, and the automation of machinery. Then the whole discourse arises that the working class disappeared because it's viewed only as a "factory worker," to put it in these terms. There's talk of the end of work, reducing the materiality of labor to manual labor. And the question one has is: did the working class disappear, or did the working class change qualitatively because the materiality of labor changed qualitatively? I don't know to what extent Braverman projects what Marx proposes. I suppose so, because in that image he presents of a worker whose work is monotonous, etc. I don't know if Braverman quotes Marx in this sense, but it coincides with this image that Marx is presenting, only that he is looking at a worker from a time one hundred years earlier than the one Braverman is looking at.

Aristides: What you've been developing brings to mind this whole question of consciousness and will, which was very new to me last year, and relating it to the traditional debates within the left and socialism in general, about whether revolutionary consciousness comes from outside or within the working class, from the vanguard, the party… Depending on the era, it's also linked to other realities, but this question is always present, because ultimately what needs to be explained is why we haven't reached that socialism. And from all the work we've done, we can conclude that it comes from the development of the materiality of labor, and our consciousness also arises as a finished product, not as something separate from anything, and this question of what we are as the working class materially… For me, it was very revealing because these debates were neglecting what we are as the working class objectively, materially, and moving to understand myself as part of the working class, I value that as a change.

JIC: Yes, I remembered another argument: that revolutionary consciousness cannot arise from the production process, because that process is for capital, and therefore it must arise outside the production process, completely independent of the materiality of labor. And then there's an appeal to direct personal relationships as the locus for the development of revolutionary character. So, there's a return to relationships of personal dependence as if overcoming the capitalist mode of production could spring from there, denying that the condition of the working class as a revolutionary subject could arise from the very materiality of labor. So, let's look at these transformations in the materiality of labor, labor that now involves not only the use of machinery, but also the production of machinery.

The difference between manual labor and machine work, as we've already seen, is that manual labor requires learning by using the tool, but with machines, we've seen that one cannot learn to use them by simply using them, because they will break. To operate a machine (and previously, to produce one), the key difference is that in manual labor, the tool is in the worker's hand and controlled by the worker's subjectivity, whereas here it forms part of an automatic mechanism, and

what must be controlled are the natural forces. This control is objectified in the machinery so that it automatically transfers these forces to the tool, which then operates on the object of work. Therefore, the starting point for the production of machinery is the knowledge of the natural forces that will be set in motion. This knowledge is not subjective but objective, because natural forces operate objectively in the same way, and thus it is necessary to objectively understand them. And the objective understanding of these natural forces is scientific, objective knowledge. And then we have to look at the material conditions for the development of scientific knowledge.

What do we have so far? To whom would it appear that the capitalist mode of production corresponds, given its "nature"? Who has to set capital in motion, who has to embody it? The capitalist. If embodying capital requires first possessing scientific knowledge, then the capitalist should be the bearer of that knowledge. But now we see that there are two chasms between the subjectivity of the capitalist and that of the scientist. First, being a capitalist and simultaneously possessing scientific subjectivity are not necessarily compatible; on the contrary, they are rather separate. Because the capitalist cannot study how a particular force of nature will operate if, at the same time, they are managing their capital, which is already in operation. And they will do so even less if they are, in reality—let's put it this way—a mere consumer of surplus value, who is going to live the good life instead of trying to discover how to control natural forces. That is the limitation that Marx points out, and that Ure himself acknowledges [234]when he says that capitalists in the chemical industry don't know a word about chemistry. But this is not simply the complete barrier preventing the capitalist from being the subject of scientific production.

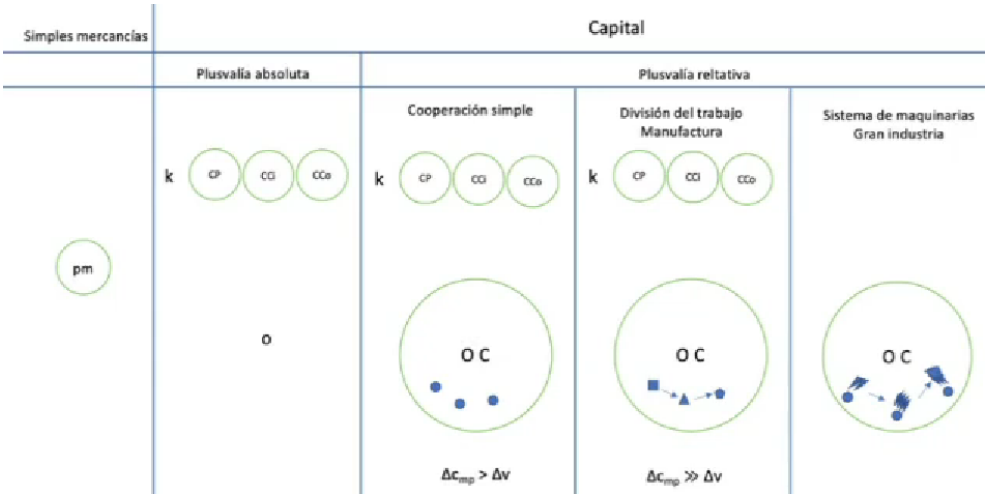
Alejandro: Now that you mention it, a question about Engels came to mind: he was the son of a bourgeois, and as such, he had every right to inherit the factory. I understand that there was a break in that bond, but as an individual, he advanced in scientific knowledge. It's a particular case, but it's significant in relation to the development of scientific knowledge in society. What role does he play?

JIC: I was going to leave this for later. Because when you look at Stevenson, father and son, they were capitalists and the bearers of that development. You look at Edison, and the same. This situation reappears with the development not of computing itself, but of software and so on, where there are capitalists who are bearers of scientific knowledge and personify capital. But let's look at an aspect that often remains hidden in the cases of Stevenson, Ford, Steve Jobs, Bill Gates… It's not simply the individual work of that capitalist or budding capitalist. And this leads to the second determination. So, even taken in their purest form, they appear as exceptions. Marx wasn't a member of the working class either; he resisted selling his labor power very much, so to speak. He came from a family with a father whose background isn't entirely clear to me, who might have been a civil servant but at the same time was a lawyer who worked independently (a producer of commodities, in that case). But I'll return to this contrast later, and I'll go to the second characteristic that relates to this.

[234]The chemist whom Marx quotes.

Scientific work is necessarily collective and social in nature, and the capitalist is an isolated individual, not an individual organ of the collective labor process. Even if there were a collective capitalist, their function would be to manage capital, not the development of science. Thus, capital has a need for someone to embody it, and up to this point, neither the capitalist nor the worker we have been observing alongside Marx can fully embody this. But we have said that the concrete subject of this social life process is capital, which—since we are speaking of real subsumption—is what produces human beings as what they are: workers and capitalists. And so we find that capital has a need to produce human beings capable of developing scientific work, for which they need to possess an objective consciousness. The capitalist class cannot provide capital with these individuals. The only place left for it to find them is the working class.

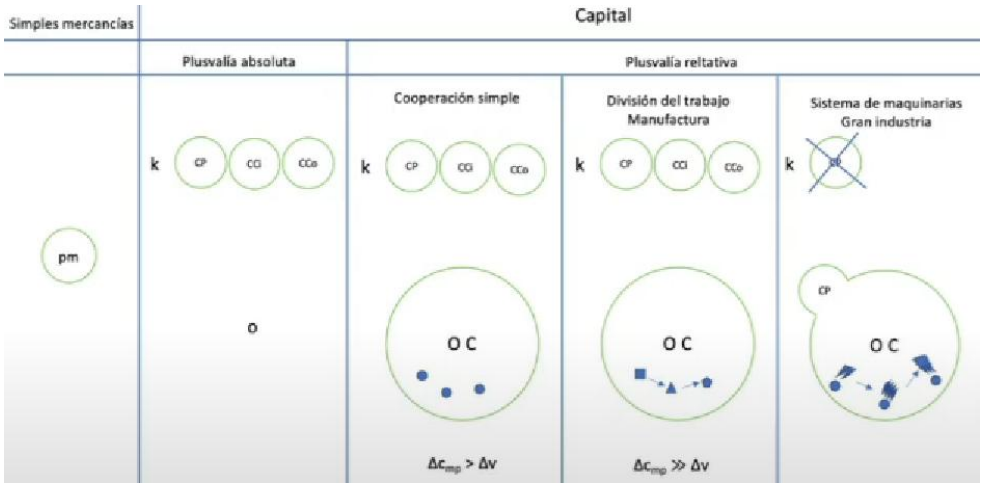
What will happen is that, for some workers, possessing a scientific consciousness will become a condition for selling their labor power. It's not that these workers have a scientific vocation and suddenly set out to study. The development of this scientific consciousness, the design of machinery, first the mastery of natural forces, their objectification in machinery, and their implementation, begins to require workers who possess, as productive attributes, varying degrees and specific forms of scientific consciousness. This has implications. I said that the capitalist mode of production has a revolutionary character, which will now become evident in the fact that the subject responsible for the development and application of machinery has changed.



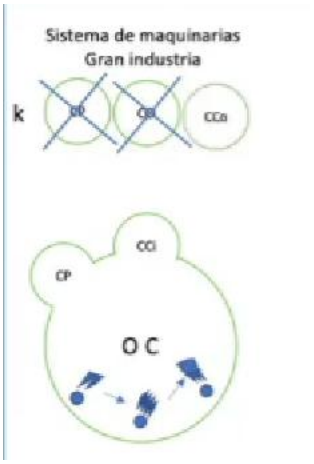
In this framework, I have the worker and their transformations, and the functions of the capitalist. Here, the focus isn't solely on production, but on production, circulation, and the exercise of coercion (CP, CCi, Cco). And it's important for me to emphasize that previously it was simply the capitalist (the figure of the [235]foreman sometimes appeared, but it was basically the functions of capital). It's important to put them together because the transformation we're going to examine encompasses the entire management of capital, not just its action

[235]Consciousness in production, consciousness in circulation, and coercive consciousness.

as a CP. Up until now, what we've had of the collective worker within large-scale industry, with their condition as an appendage of the machinery, is that we're going to start questioning the first function of the capitalist, as the CP of capital, which begins with the development of being that CP and the control over natural forces and their knowledge. And as we've been developing this, we find that the capitalist cannot satisfy this need of capital, and that consequently, capital removes them from this function and incorporates it into the body of the collective worker.



In the first instance, it is a specialized organ of the collective worker responsible for the scientific organization of production, the development of machinery, and the understanding of natural forces in order to objectify them in machinery. And here we have the revolutionary character of the capitalist mode of production. When we started, capital was like this [Table of absolute surplus value]. And I don't want to get ahead of myself, but it's useful to make an observation that Marx makes in the next chapter, saying that the capitalist has a historical right to exist, which—he adds, because he quotes a legal author—is not an acquired historical right. His right to exist is that he is the organizer of social labor performed privately and independently, the one who manages this organization. And now what we see is that the very development of the machinery system in large-scale industry begins to take away that function from the capitalist.



Marx doesn't elaborate on the next function here; he simply states it as follows: the capitalist must bring their commodities into circulation and transform them into money, and transform money into commodities. But as the scale of social production and the magnitude of capital increase with the production of relative surplus value, this task becomes increasingly complex. It is the function of the capitalist because it is part of the embodiment of capital. Managing capital in circulation is now an objective task; the production plan can no longer reside in the capitalist's subjectivity. To control the enormous scale of capital in circulation, the organization of the sales process can only be accomplished through collective labor and a scientific understanding of commercial management. And so we encounter this second task, which was inherent to the capitalist but increasingly eludes their personal subjectivity, even if they are willing and exert all their will to fulfill it. This management needs to be carried out collectively and with scientific awareness, and it comes to be developed by a specialized body of the collective worker.

The task left to capital is the exercise of coercion. Since it has an antagonistic relationship with the workers, it must coerce them to embody its capital. And now it is necessary to coerce a collective worker that may consist of tens or even hundreds of thousands of individuals, including diverse individuals such as the worker who is an appendage of the machinery, the auxiliary worker with less developed productive attributes, but it is also necessary to coerce the workers who exercise collective production and collective control because they have an antagonistic relationship with capital in their condition as sellers of labor power. Therefore, coercion must be exercised through a collective body with a scientific consciousness, because coercing one individual is not the same as coercing another. Thus, the function of coercion also escapes the subjectivity of the capitalist and is incorporated into the body of the collective worker.

We are faced with this transformation of the materiality of labor, and with what constitutes a worker and the working class. Marx observes that a worker can be productive even if they are not directly involved in the production process, but I will stop here. Later, we will examine what has happened to both the worker and the capitalist, and we will look at concrete examples.

Aristides: I'm having trouble visualizing that specific instance of coercion. Would it be a police officer, in the public sphere, or in the more private sphere of the factory?

JIC: Up to now, we've been looking specifically at the internal workings of individual capital. I always give an example, because the venue for these presentations often lends itself to it: at the Faculty of Social Sciences of the University of Buenos Aires, there's a degree program in "Labor Relations" which, according to its creators and administrators, aims to train union representatives for workers. And in practice, the students are human resources office workers, whose sole function is to exert coercion over the rest of the collective workforce they represent. This coercion isn't limited to that office; it extends throughout the

entire collective workforce, and I'll come back to that later. But to exert that coercion, one must have that scientific awareness.

When Taylor developed his method for performing manual labor on the assembly line, he clearly understood the combination of the technical problem with that of coercion: how to determine whether or not the worker was doing what they were supposed to be doing. This was precisely called time and motion studies. The method is for determining how the work is done, but measuring the time of the individual performing the work is a way to exert coercion over them. Thus, a whole scientific understanding of the exercise of coercion emerges.

In personnel selection processes, the intervention of psychologists serves to assess whether the individual possesses the necessary skills for the job, including their ability to adapt to the coercive methods they will be subjected to. I always make this distinction, though I'll address it briefly later: doctors who monitor absenteeism are simply exercising coercion. Because a doctor, as such, could have the function of diagnosing the worker who couldn't come to work and intervening in their recovery, but none of these doctors perform that function. And the worst thing that can happen to a sick worker is for the doctor who monitors personnel to arrive, knowing the worker went to the pharmacy to buy the medication they needed. The doctor will then write that the worker wasn't at home, effectively declaring that they aren't sick. This is nothing more than coercion, but it can only be done with a scientific understanding. A worker who isn't a doctor cannot monitor absenteeism because they don't know how to distinguish whether an individual is truly ill or not. It is a coercive function performed by an individual who has undergone a long process of scientific training.

I've had to argue sometimes because economists often look down on accountants, and I've always said that accountants have the same scientific training as economists, but the difference is that one has the scientific training to manage individual capital, and the other to manage the total capital of society or individual capital in relation to the total capital of society. Both have scientific knowledge; their difference lies in their focus. But one faces this dilemma.

Alejandro: Within the collective worker who carries the productive consciousness, would a wide range of engineers be included, or industrial, mechanical, chemical engineers… or is it broader?

JIC: The physicist who develops quantum mechanics comes in… Let's not be so pretentious: the entire theory of mechanics, the one who applies that theory to the production of machinery, the one who will later use that machinery—if an engineer is needed, it will be an engineer—the one who has to make the production plan, but also the one who designs how to make a production plan, etc. All of them fall under this condition of worker with these attributes. I'll elaborate further later.

Alejandro: But the accountant 's case has more attributes in common with the business administrator, and that would encompass more than just awareness of traffic flow, right? Part of what constitutes productive awareness…

JIC: I was saying this with the economist. To the extent that one participates in the development of a production plan, one is acting as part of the production chain. But the essence of their work isn't... the one who operates in the buying and selling of commodities, the one who does marketing... And it's to the extent that they participate with their knowledge regarding what will happen with sales in the organization of the production plan, they are within this productive body, but their essential function is linked to circulation. All kinds of overlaps appear, when it's not simply a specialized body.

If we look at the capitalist first, what we see is that capital, through the development of the production of relative surplus value by means of the machinery system in large-scale industry, gradually strips him of his function as the personification of capital. The function that remains is that of being the private owner of capital, without any role within the process of capital valorization. Thus, it is capital that transforms the capitalist, *within the capitalist mode of production itself,* into a mere social parasite.

If, when we first began to observe it, capital had the right to exist as an organizer of private and independent labor, now capital itself is stripping it of this function, leaving it only to take a portion of the surplus value and allocate it to its individual consumption, because it no longer knows how to accumulate that capital. I've sometimes had discussions about this, regarding the role of the shareholders' meeting where the capitalists who own the capital reside. And what one sees is that, once the entire process of capital valorization has unfolded, the meeting is presented with the result of such a mass of movements—often contradictory, of different natures, of measurable magnitudes but enormous complexity—that the individual present has no capacity to dictate what should be done with it. And the appearance that the capitalist is the one who ultimately decides is an illusion.

And a little while ago I mentioned my background as a certified public accountant. I've prepared reports, one that was consolidated for the company's management, that didn't even accept the number of decimal places because nothing reached that scale; I had to write "x '00000000 …". When you look at that, you realize: the person receiving all this information, which I also manipulated to say what I wanted it to say, isn't simply a purely objective reflection. There are relationships, conflicting interests that can imply that the person presenting this is doing so in a way that isn't accurate, for which they need scientific knowledge, because otherwise, it would be easy to detect. And at that point, it becomes unmanageable. So, what do the owners of capital do? They hire another capitalist who has a collective of workers specialized in evaluating these reports, and yet another capitalist who has a collective of workers specialized in deciding what to do in a given situation or another. But their immediate participation in the management of capital is minimal.

You just mentioned Elon Musk: he can't manage his capital; if he ever managed it directly, he's completely out of that position now, and what he does is act as a representative of capital. He's a figurehead who helps his capital occupy certain

positions. He might say absurd things, and it will cost him dearly, but he doesn't manage his capital. When you look at the Ford case, Henry Ford first went down in history as the inventor of the manual assembly line system. And aside from the many who must have participated in this, there was an engineer who sold labor power and was the mastermind behind it, and who a few years later (I think in the early 1940s) wrote a book explaining how he had done it. But all the workers' labor belongs to the capitalist; consequently, even this individual's name was appropriated by the capital that put his name in its place.

What we have before us is that capital is transforming the capitalist into a parasite from the perspective of the valorization process. What happens within the collective worker? The first thing that emerged was this contradiction: now there are sellers of labor power whose work consists of personifying capital as value that is valorized, whether in production, circulation, or the exercise of coercion. Thus, the contradiction between seller and buyer of labor power became embedded within the collective worker, and likewise within the working class: now there is an antagonistic relationship between workers who sell their labor power. And I return to the collective worker. How far does this antagonistic relationship extend? It becomes clear that the seller of labor power who is at the head of the company, who appears as the CEO, is the one who exerts coercion over all those below him. But let's go to the other extreme, to the rank-and-file worker who is simply the coordinator of a work team: he has to exert coercion over the others who are part of that team. This extends throughout the entire collective workforce; here we see a worker whose condition for selling their labor power is to exert this coercion. If they don't, they are left without social relations. And this coercion is exerted far beyond what is immediately apparent within the collective worker's body.

I always give the example of the doctor who monitors absenteeism. But the one who will act to heal the sick worker is a doctor who knows that the worker has an illness that will clear up if he stays in bed for a week, leaving no lasting effects. But he also knows there's a pill the worker can take, and after three days he'll be fit to return. However, he also knows that this pill will cause a problem in the worker's stomach, though it won't be noticeable for now; he'll only have heartburn and won't be able to excuse himself from going to work. And this doctor, who has an objective understanding of what he's doing, has to prescribe the pill and not leave him in bed for a week, because if he does, he won't find a buyer for his labor; the capitalist will fire him. Let's move to another area: the scientist developing the pill, who looks at himself and it doesn't even occur to him that he's a member of the working class, a seller of labor power: he sees himself as a scientist, and that science is neutral. He knows that if instead of developing a pill that cures in three days, he makes one that cures in five but creates a smaller hole, that doesn't serve as a use value from the point of view of capital.

Thus, the exercise of coercion extends throughout the entire collective worker, to relations between workers of different capital, with varying character, intensity, and forms of manifestation. But what we find now is that the antagonistic relationship between the seller of labor power and the one who has to act as the buyer representing capital is within and extends throughout the collective worker, and transcends that body and extends throughout the working class. We saw the

relationship of solidarity that constitutes the working class, and now this relationship has to be overcome… It is no longer simply the competition to sell labor power; now it is the antagonistic relationship of acting in the production process as a mere personification of labor power, or the personification of a labor power that in turn personifies capital. This is a central issue from the point of view of the political organization of the working class […].

[II]

We had agreed to discuss the transformations in the materiality of workers' labor, the displacement of the capitalist as the personification of capital in action, who is left only with the ownership of capital; what happens to the capitalist transformed by the very movement of capital accumulation into a parasite (not abstractly for social life, but for this concrete subject that is capital in the capitalist mode of production); and the incorporation of an antagonistic relationship within the collective worker and then the working class, because there are workers who, in order to sell their labor power, are required by capital to personify it. Where the class struggle, as a way of expressing the unity of the movement of total capital in society, now has within one of its poles an antagonistic relationship that is not simply a competition for labor power, but because a part of the working class directly personifies capital. What are your thoughts on this?

Alejandro: I raised something like this last time. In general (not just regarding figures like Marx and Engels), I understand that in their historical moment of capital's development, this separation between the manager of capital as a specific organ of the working class and the capitalist wasn't so latent. [**1**] And if, at that historical moment, this need to personify capital led the capitalist to develop scientific knowledge, that would be a first question. And then, regarding what I see today of that personification, for example with CEOs, I see that they are individuals who have to sell their labor power to a company with a significant concentration of ownership, and they have to manage the different "business units" of that same capital, and… [**2**] Why does the CEO, as a more generic figure, appear not to be a worker, and why does this appear to other segments of the working class? I understand that there is the issue of antagonism, but antagonism in itself doesn't define whether an individual is part of the working class or not.

JIC: [**1**] Regarding the first part, the scientific consciousness of the capitalist in the 19th century, or even the late 18th with the Industrial Revolution… To what extent are individual capitalists the ones who wield scientific knowledge? I could only offer some (and mixed) indications on this matter. But what is certain is this: the English population of 1820 had an average of two years of schooling. All education was paid for, and the workers, with the working hours we've seen, and the wages they received… it's highly improbable that a seller of labor power could have a scientific background. So, where could these individuals have come from?

Those who make further developments… like what might appear to be the foundations (I don't know if "basic science ")… I don't know where Newton came from. Leibniz was a mixture of mercenary, diplomat, mathematician… Smith was a state bureaucrat, but how had he become one? His initial interest had been in astronomy. We should look into that. Then there's the case of Hegel, who for a very long period of his life was a tutor to a child from a German noble family, before he was able to become a professor (and I believe, eventually, a rector). So, much of that knowledge… Moreover, those were more elementary conditions of knowledge than those that exist today, in the sense that it could be attained without all the specialized processes that are required today due to the complexity of those work

processes. Last time I gave the example of the Stevensons. We should see who is developing all of this in the looms.

In any case, when Adam Smith tries to explain profit on capital, what he's saying is: this isn't a managerial salary, because someone can be hired to do that job. Thus, individuals appear who had to be capable of managing the capital of an individual capitalist, and who didn't have capital of their own. Later, Marx refers to the transformation of the capitalist who, in the process of concentration and centralization of capital, is gradually annihilated, becoming (this is in Volume 3) managers for the capital that defeated them in the competition. But this is the picture. Furthermore, life expectancy at birth in England in 1820 was 30 years; there wasn't even enough time for an individual to develop much scientific knowledge. Clearly, this is the life expectancy of the mass of the working population under these conditions of exploitation of labor power: 16 hours of work, 6 days a week, with poor nutrition and no schooling. But as I was saying… You, Alejandro, quoted Engels, who came from a capitalist family, and Marx, the son of a lawyer and bureaucrat, and I think some ancestor on his mother's side was part of the "lower" nobility connected to administrative management. And then there's Lenin, whom we also discussed, about how the working class couldn't achieve revolutionary consciousness on its own.

The difference we have in being able to confront this, aside from the fact that it exists in general, is that we look at ourselves and we are sellers of labor power, and the material form of our labor is scientific labor. So, when you look at yourself, you have the answer to where the labor power that carries out this type of production comes from, the labor power that produces scientific knowledge, which is then put into operation in the production process… In an aspect that I generally don't delve into much because it's not in *Capital,* but when we look at the state as the political representative of the total capital of society, it's very present… On the one hand, there's the scientific production under the management of that state, which in the case of Adam Smith—I don't know where he came from, but he was a customs official and a university professor—so it's as if one sees that it's not just about the movement of individual capital, but rather a function that the working class fulfills in the movement of the total capital of society. Thus, the working class finds itself facing the contradiction that its political management is the management of capital and, therefore, of antagonism with itself, no longer as a collective worker but as a working class.

[2] So, for me, today it's easy to recognize myself in that condition because it's who I am. Now… I don't know if I ever brought this up, but I think Alejandro, you experienced it firsthand: in all the courses, while they were in person (later, when they stopped being so, it was something that might not work), in the first class we always did a survey asking about where they were in their degree, what they thought of the subject and the relationship between political economy, and asking what social class they considered themselves to belong to. With this experience.
I started doing this in the economics faculty, and when we began teaching in the social sciences, the people from the social sciences department said that you can't ask the question like that here because they'll answer that they aren't members of any social class. So we had to break down the question, and it became: "Do you

consider yourself to belong to any social class? If so, which one?" And the universal answer was: "Middle class," "petty bourgeoisie," "lower-middle class "... And, very exceptionally, "working class" or "working class" would appear.

In the development process—not at this point we're at now, but at the stage of reproduction—when we were looking at what happens to the worker in the process of individual consumption (which I won't elaborate on here; we'll get to it later), the question I asked was: Why, if you, the university students, are free individuals, do we, the professors, have to coerce you? What happens to that free individual who is confronted with the development of their freedom—of objective knowledge—do we have to take attendance, give them exams... (all the forms of teacher control)? When we reached this other point, it became clear that you were members of the working class, and so the question is why none of you in the initial survey identified as such.

This led to various discussions. But there was a student from General Sarmiento University (he was a political activist, involved in university politics, and I think beyond that as well), who was very taken aback by this and thought it best to stand in front of the faculty lounge door. Everyone who came out asked him if he considered himself a member of the working class (I don't know exactly how they asked). And some even insulted him for the question; he felt attacked. And when you look at the field of social scientists, who are supposed to study the form that general social relations take in the capitalist mode of production, the answer isn't "We are members of the working class," but rather of the "petty bourgeoisie," the " middle class"... They can't identify with this condition.

Another point I always raise at this stage is that, if you look at Argentina, there's an expression of how, within the university student movement—those who see themselves as critical of the capitalist mode of production, not those who make apologies for it—there was a slogan that I think is no longer heard: “Workers and students, united and forward.” We students used to chant this, which means we weren't recognizing ourselves as members of the working class, because we should have united with the workers. If it had been in our consciousness, the slogan would have been: “Workers who are in the process of developing our labor power, and workers who are already selling their labor power, united and forward,” because that's what was at stake. And what it shows is that there's no recognition of our own condition as workers. I think the slogan isn't chanted anymore, but it's still present. It's the “Left *and* Workers' Front,” which implies that those on the left aren't workers. The same goes for statements like “workers, women, young people.” And this is an expression… all people with scientific awareness, because in particular the heads of these political organizations are workers whose work takes the form of scientific knowledge, all sellers of labor power (there are some exceptions, but those I know are all sellers), who cannot recognize themselves in this condition.

Then there was Braverman's idea that only those who do routine, non-creative work are considered workers… and the others aren't. And there are arguments regarding the status of teachers based on these arguments, I understand, because of the structure. Except for the private tutor who teaches independently, whose

situation would need to be examined, but every teacher, from a legal standpoint, has all the characteristics of what is called "employment," the buying and selling of labor: they have a fixed schedule, they work with means of production that they don't own, they have a specific job to do determined by whoever buys their labor… They have all the attributes, and yet arguments arise that they are not members of the working class.

I understand that one of the arguments is: because they have control over their individual work process. And my response to that is that a worker who loses all control over their individual work cannot work. Teachers and all workers always retain some control, which is no longer that of an independent producer of commodities, but is in turn subject to the control of the capitalist or whoever personifies capital. However, they are required to have control over their individual work as free individuals. Generally speaking, capital needs the productive attributes of free workers, alienated within capital, not those of a slave or a serf.

There's this reference Marx makes to what happens to the free worker in relation to the slave (I think we've already covered that), where he argues that slaves saw their condition as human subjects mutilated and transferred that mutilation onto the instruments of labor, particularly the draft animals. Therefore, they had to be given very crude, heavy tools that resulted in low labor productivity, so they wouldn't break them. This contrasts sharply with the free worker, to whom the capitalist gives the most refined instrument of labor possible. And woe to anyone who breaks it! Because they will be left unable to sell their labor power and will be left without any social connection. So, capital demands these productive attributes that belong to a free individual, while at the same time producing that individual with a consciousness that prevents them from recognizing themselves in their condition as a worker.

Edgardo: On this, I wonder if, especially for this portion of the working class with an expanded productive subjectivity, the fact that they cannot recognize themselves as members of the working class might not even be a productive attribute that capital demands of them.

JIC: And what it produces.

Edgardo: And that capital itself produces. Let's say that if this portion of the working class does not develop this consciousness, it cannot fulfill its function as the personification of capital within the collective worker.

JIC: And at the same time, the development of this recognition is a condition of the general movement of capital. That's why the working class's self-production of this consciousness takes the form of political action; it's a necessity for them as a historical subject. And one of the expressions of this antagonism within the working class takes the form—for example, in very immediate terms—of the content and methods used to produce working-class consciousness. It's one of the expressions of this antagonism within the working class itself. When you look at the state's educational structure, there's no one there who isn't a member of the

working class. And the development of consciousness takes the form of a struggle regarding the content and methods of educational training.

Pedro: Regarding this, I find it even more serious when left-wing political organizations, which claim to be the embodiment of change and revolution, also fail to recognize this aspect of the working class. So, when a professional with a scientific mindset joins their organization, they dismiss them as petty bourgeois. Then, part of their activism involves going to the factories, to the fields, and they end up degrading their own sense of self, fragmenting the struggle…

JIC: Yes, yes. And furthermore, when those things happen—here in the early 60s and 70s it was called "proletarianization"—the members of the political organization themselves neither recognize themselves nor are recognized by others as members of the working class. The perception is that to be a member of the working class you have to be in the factory or in the fields. These are the concrete forms that the production of consciousness takes.

I'm going to address two of the at least three aspects in Alejandro's argument. First, let me clarify one: when you have a worker whose labor power has developed into a workforce capable of performing complex tasks, it's clear that today, simple work isn't defined by a lack of education. It has become—and this is very pronounced in some places—not only having a primary school education but also a secondary one, which sometimes appears incomplete and other times complete, because that's the minimum requirement for selling one's labor power. But if we're talking about a consciousness that continues to develop for another 6, 7, or 10 years, it's clear that this isn't the general condition, and therefore, the worker will perform more complex work. We must remember that what determines the complexity of the work is one thing, and what determines the value of labor power is another.

Complex labor encompasses the time an individual spends working to produce themselves with special productive attributes. The value of that individual's labor power does not include the individual's own labor, but rather the labor that other individuals privately and independently performed so that they could develop their labor power to the capacity for complex labor. These are two entirely separate determinations; what falls under one does not fall under the other, and vice versa. So, when one looks at complex labor, Marx says: well, it's more complex labor, but it costs more to produce the individual's labor power, and this is compensated for. What one sees in the concrete movement of the price paid for labor power, the wage differential, goes beyond what the increased cost of producing this labor power might be, when it appears as: well, but this produces much more value than an individual can produce on their own. Then, one has the question of what happens to this individual with respect to being exploited by capital. Because what one might find is that…

Let's put it this way: what he is paid is the value of his labor power (later we have to look at the components of that value of labor power), but it's clear that he cannot produce more value than the value of his labor power, and therefore, insofar as his work has the character of individual labor, he cannot produce

surplus value, because the mass of value he produces is less than what he is paid for his labor power, and therefore, as an individual, he would not be exploited by capital. But why is this individual working under these conditions? Because it is an organ within the collective worker, and this collective worker, by virtue of having this organ, has a multiplied capacity to produce surplus value. Consequently, as an organ of the collective worker, it is indeed exploited by capital, even though no surplus value is extracted from it individually, since its labor power is more expensive than all the value it could produce with its complex labor, with its intensity of work, which appears high because often these are individuals who live… not in the general sense, but in a specific sense: their life is the life of capital. We will look at that later.

Alejandro: Which specific worker are you referring to?

JIC: You mentioned CEOs, but I'm going down to the lower levels: generally, a manager. Let's take it this way: a situation (I'm having doubts about the examples) in a private medical service. What does the star surgeon, the salesperson of labor, have that any other surgeon doesn't? They have developed productive attributes that the other doesn't. How much longer did it take them to develop those attributes? They have a useful life of several decades; they didn't spend several more decades developing that knowledge. Let's suppose that worker is paid according to the value of their labor. In principle, there's such a marked wage difference that one might ask: okay, but do they have such a more complex job? If the value of their labor is 2 to 1, do they have twice as much time dedicated to learning, to developing their skills compared to the other? If someone had twice the time, then one could say they produce twice the value in the same amount of time because it's complex work, and this parallel that Marx mentioned occurs: since they produce twice the value, their labor power is doubled, and they have a rate of surplus value. But what appears in these cases, especially with middle managers, is that what is paid as wages is higher than the value that that individual in isolation might be producing.

Now there are much larger salary differences. In the 1960s and 70s, the more or less standard pay scales between individuals who held a hierarchical position relative to others but didn't have significantly more extensive training meant that if the top person earned 100, the next person down would earn something like 70% of that. Looking at it from the top down, it was 70%, but from the bottom up, it was 50%. Moving up one rung meant a 50% salary increase, and the next one up meant a 70% increase. Even at that scale, there's a difference that can't be explained by saying that one person does more complex work and therefore produces more value. The complexity of the work is simply the time it took to learn and develop that skill, which the second person supposedly lacks, and that's why they're second on the scale.

When you look at salary scales in private companies today, there are vast differences; this structure no longer exists. […] What can happen beyond a certain salary level is that the individual can no longer produce more value than the cost of their labor power, and they are paid the value of their labor power; they are not paid more than that. And when viewed in isolation, capital is not extracting surplus

value from that individual, but when viewed as an organ of the collective worker, as a member of the collective worker, what they do is produce surplus value for capital. One has to take this into account with respect to these processes, which involve the question of whether a worker is productive or not from the perspective of capital, whether they are a worker at all, and what the specific conditions are that this worker embodies.

Since the production of surplus value is not present in the general consciousness—quite the contrary—when we get to Volume 3, we will see that the image emerges that the worker, in reality, is the bearer of "social capital," and so it seems that he is paid more because the capital he possesses is larger and because it earns a higher rate of interest. Therefore, the immediate discussion of whether or not this individual produces surplus value individually, whether he is exploited not as an individual but as part of the working class, does not arise. This is not presented to the worker himself.

Alejandro [Chat]: Bourdieu is the perfection of that appearance.

JIC: Well, this is the development that is strongly present today.

Now let's turn to the other aspect of the issue. In a society where there are no bonds of personal dependence—although in the capitalist mode of production these bonds are significantly increasing—the only way to differentiate one individual from another within the working class is through what they are paid for their labor power, their capacity to influence the general social relationship. When we move on to the next section, we will see, not in relation to workers, but rather, as Marx will examine it in relation to the capitalist, that there is something called the representational expenses of capital, which appear as a component of the value of that labor power, a component that does not appear in the value of other forms of labor power. They have to fulfill roles… they have to be in the right places, at the right times, interacting with the right people, and demonstrate that the capital for which they work is prosperous. One might say that this is not part of the value of their labor power, but it is indeed part of the worker's wage.

labor power is that, to produce—let's put it this way—a foreman [236], the foreman must not see himself as equal to those he will control. And the only way to avoid being seen as equal to others, and to avoid being seen as equal by others, is through wage differentials. And that is indeed part of the value of labor power: this individual needs to consume things that others cannot consume so that he has the necessary consciousness to exert coercion over those others, and not to recognize himself as belonging to the same class as them. Thus, something that could fall under the category of "moral determination" appears as a determinant of the value of labor power, not because of the conditions Marx sets regarding how labor power is accustomed to being sold, but because this is a necessity for capital to produce the consciousness of the worker, whose function, in turn, is to exert coercion over other workers. This is a central question from the point of view of the political

[236][Argentina] In rural language, it is a person in charge of the plantations.

organization of the working class: how to work on these consciousnesses on both sides, given what Pedro was saying about the fact that neither the leader recognizes himself as a member of the working class nor do the subordinates see themselves that way. The problem is how to establish a relationship of solidarity. […] I don't know if this, Alejandro, is what you were thinking…

[Alejandro mentions that he has witnessed his boss, an industrial engineer, going out to eat at a restaurant while they were given garbage in the cafeteria.]

JIC: That could be considered a representation expense, depending on the restaurant, although it could be a regular restaurant and that's part of the differentiation. Also, it's typical that lunchtime at work can be a time when, as direct personal connections are established, hierarchies are erased. And so, the existence of separate dining areas is part of… I later corrected myself: representation expenses are not part of the value of labor; they are expenses included in the salary. It's a way for the individual not to be recognized, nor to be recognized by others, in a way that would allow for the establishment of a relationship of solidarity.

Ivan: I have a question. We start from Marx's development (and I think it's very explicit in Chapter VIII) that the working class has a need to recognize itself as a class because it has a need to organize, to fight so that labor power is realized at its value. And for a good part of… let's say, up until perhaps the 1970s, we can see a long-term process where the working class fights, achieves victories that translate into legal laws governing the buying and selling of labor power, and at the same time expresses a need for capital to reproduce itself with its normal attributes. The question I had is what does it imply, *currently,* that significant sectors of the working class (teachers, scientists, professionals…) are beginning to recognize themselves as such—this is the new physiognomy the working class is taking on. Why is there a regression, and why does it need to recognize itself as something different? Because in the exposition it would seem as if it's a problem of how Marxists see it or how it's interpreted, but what about the problem of why that same subject needs not to recognize himself in this way in order to overcome capitalism? Because that potential could also appear because he is more enlightened, has more tools, and it would seem that he could have that awareness, and yet a regression appears.

And I wanted to say one more thing. I remember in my sociology studies I had a problem because most sociologists seemed to be presenting "the end of the working class." At one point I was able to reconcile myself to this because sociologists began to emerge who said that it hadn't disappeared, but rather expanded into China, Asia… And when I approached this argument, it really struck me because it was a way of understanding that the working class hadn't actually disappeared, but was beginning to change its character. But this also revealed a decline in the sense that there wasn't the same political or class action as in the period before the current one.

JIC: You said that on the one hand, the working class won a number of things, and on the other hand, it was a necessity for capital. In my understanding, the

content is that it was a necessity for capital, and the form is the struggle of the working class; it's not that there are two parallel processes. Why did the working class have the strength to embody the action that brought about all those transformations? Because capital needed a working class that wasn't the one it had at the beginning of the 19th century. So, it's the same thing that continues to be the case now, the same determination.

The other point is the general argument I make, which I'm not sure is relevant here, and which has these two expressions that have stuck with me. One is the unions of "managerial" personnel, which were generally present in state-owned companies. Solidarity relationships arise between the different "levels" within that collective workforce and within the working class. Because those who don't see themselves as members of the working class, but rather of the capitalist class, also have relationships of solidarity among themselves, and they also compete with each other for the sale of their labor power. And the academic sphere, which has this type of worker, where relationships of solidarity appear, as well as the most miserable relationships of competition over who sells their labor power, precisely because of the materiality of the work itself, which is the expression of the subject's intellectual activity. The consequence of the hierarchical structure is that the individual cannot think for themselves but has to pretend they are thinking like the person above them in the hierarchy because otherwise, they won't be able to sell their labor power. It's as if the subject of their work is simultaneously… It's not quite that simple, but the worker who sells their labor power to an individual capitalist goes home and can think whatever they want. The individual who is doing intellectual work has to think about what corresponds to what they are doing, and if they don't, they can't sell their labor power. This is one of the expressions of recognition as a member of the working class, of forming a separate union. For example, in the metalworkers' union, it was ASIMRA [237], and it also extended to a certain level. In state-owned enterprises, it was at all levels; the union of professionals or managers—I don't remember what it was called—in the sanitation works, even the highest-ranking members were union members.

The other issue, which is a manifestation of a bygone era, is this matter of wage differences I mentioned earlier. I had the example of the workplace. I once consulted a Swede back when Sweden was supposedly at the height of social democracy, with its emphasis on working conditions and so on. What was the wage difference between a factory worker and an engineer? This man was an engineer, and his explanation was that when they both started working (one started a little later because he had training, while the other didn't), they earned the same. And when they reached the peak of their careers, the engineer earned six times more, but of those six, four times were paid in taxes, so the actual wage difference was 1:2. What it did suggest was that engineers had greater access to the conditions necessary for the reproduction of life, which—to put it this way—were accessed not as sellers of labor power but as citizens; they had greater awareness of where the "benefits" that capital provides to citizens were located. This distinction no longer exists anywhere in the world, I believe, and it probably doesn't even exist in Sweden anymore.

[237] Association of Supervisors of the Metalworking Industry of the Argentine Republic.

It's true that in recent years the complexities of work have increased, but so has the complexity of simpler work, which is why educational processes have expanded. So, in what you're suggesting, what I understand is that capital, throughout the 19th century and until the 1970s when it exploited inequality, needed *relatively* undifferentiated workers, who were experiencing these transformations in a... I mean, there were brutal differences, especially when you compare it to the current situation; that's why one can say "relatively undifferentiated." So, the wage level was relatively undifferentiated. And with the development of computing, the automation of machinery, and robotization, it no longer needed... The assembly line worker, because they were at the heart of machine production, even though they performed manual labor, had their fate tied to that of the general worker in large-scale industry. This gave rise to the mass unions and political parties of the working class.

That no longer exists. Capital needs highly differentiated workers, and the most immediate way to differentiate them is through wage differentiation. Moreover, for certain types of workers, conditions aren't even maintained... It's not that they were progressing in parallel, with one rising and the other staying the same; rather, they were progressing more or less at the same level, with one rising and the other falling. One can argue whether the value of labor power has decreased. Rather, they are being paid below the value of their labor power. Therefore, the division becomes much more acute, and solidarity becomes much more difficult. If before they could more or less look at each other and have something in common, now they have nothing *manifestly* in common (they remain members of the working class).

So, the material basis changed. I'm putting it in somewhat abstract terms, but I think it helps to clarify: in the *Grundrisse,* when Marx begins with development and talks about three major stages in the development of human life, he says that there is a first stage that starts with simply animal relations and becomes direct relations between people, of personal dependence. There is a second stage in which the relationship ceases to be personal and becomes objectified: it is a relationship through a thing. And this second stage creates the conditions for the third, which is society based on the free association of individuals, the conscious organization of the social life process. And he has a note where he refers to the role of the second stage, and says—not exactly like this, I'm perhaps exaggerating a bit—that it is to create a society of individuals with universal capacities and universal needs. And when one looked at the development of the capitalist mode of production up to the mid-1970s, with all due reservations (it's clear that living conditions in Haiti and England weren't universal), but within each national context, one looked at the US, a racist society, where racial discrimination was first questioned in the 1960s (not only as a product of consciousness, but also as a result of practical living conditions like being denied access to public transportation, etc.). So, "universal" is very much in quotation marks.

But one can say: it is an entire historical stage where the capitalist mode of production, in its immediate concrete form, with all its inherent negation of movement *because it is* the capitalist mode of production, is advancing in

accordance with its historical role. And from the last quarter of the 20th century onward, it is clearly stated that it is advancing in the development of the productive forces, that from the point of view of the productive capacities of a part of the working class, there continues to be a transformation of those capacities, but universality is no longer immediately apparent. If historically, one could roughly say that the concrete form moves in the direction of its content, from a certain point onward, the concrete form has a movement that is the opposite of the content of the historical role of the capitalist mode of production. So, with that determination, and something I will address when we examine the centralization of capital, there is this change in the concrete form that the development of the productive forces takes in the capitalist mode of production with respect to the production of the labor power it requires. And I also leave out (because we already mentioned it, but didn't elaborate on it) the overpopulation of workers generated by capital.

There are two things I want to add here, which apply especially to those higher up within the collective worker body: that this individual is not abstractly responsible for personifying the capitalist's capital, but rather personifies the social relation of the other individual. And in a society where the social relation takes the form of something you either have or don't have in your pocket, and all relations are antagonistic, every time that individual who manages the other 's social relation can pocket a portion of it... And that also contributes to the difference. Marx makes a passing comment in Volume 3 about the directors of companies. They begin to be individuals who appropriate the capital of the other individual. And here a problem arises (I once saw a paper that based it on a quantitative differentiation, and that's problematic): are they simply a worker, or do they now possess attributes...? Because the worker who produces less value than their labor power produces is being paid for with surplus value extracted from other individual workers who are part of the same collective worker. But there it becomes clear how far, and with the forms of payment that are linked to becoming a minority partner (they never go beyond minority) for the capital for which they work, the individual appears as the bearer of the contradiction that he sells his own labor power.

Because he embodies a capital to which he sells his labor power and at the same time has to manage it purely as capital, he cannot see himself as a seller of labor power. And one of the things that appears (actually, it also appears later) with these forms of wages, which appear as wages but are part of becoming an owner of capital, are the clauses that if he continues working for that capital, he will be given 1% of the shares, which from the individual's point of view is an immeasurable fortune. And one of the expressions of alienation is that when these individuals who have the management of individual capital in their hands (with the degrees of centralization and concentration that capital has today), their useful life for capital ends, and their natural life ends. Because their lives have always been lived for capital, and this situation arises where an individual has the authority to manage a collective workforce of thousands, and can make decisions for that purpose, and one day they find themselves being congratulated, given an award, but then told: you're no longer useful for this. And the individual discovers that the purpose of their life has been lost, because it was managing that. If they don't die first from the

intensity of the work, they find they have nothing left to do. This is part of the development of this individual's consciousness and of the antagonisms even within that same segment of the working class.

[Alejandro (Chat) mentions that since the fragmentation of the working class 50 years ago, he has seen the expansion of forms of utopian socialism and fewer and fewer organizations proposing revolutionary action.]

I have an answer regarding my political actions. And everyone has to come up with an answer about their own actions, but I'll leave that for when we finish the workshop. But we can look at utopian socialism. But I wanted to propose this. I did this 20 years ago and haven't updated it since, except for a few very brief ones, which is about the contrast between the working-class population… the first source of data I had was from 1820, and what has happened to that working-class population in the case of the US and England. It started with a life expectancy of 30 years at birth, 2 years of schooling in the case of England, also 2 in the US, but because the white population had 3 years of schooling and slaves 0, so the proportion of the population resulted in 2 years.

And you see the development that Marx makes, and the quotes about the length of the working day in early 19th-century England, and the rough calculation was about 3,600 hours per year: 14-16 hours, 6 days a week, no vacations, no sick leave, no education, nothing. And there's a turning point around the mid-1970s, but it continued with subsequent developments, and what you had was a working-class population with an average of 12 years of schooling (completed primary and secondary), and even the problem of having to measure educational attainment by raising the age. Because historically, when you start with age 2, you measure with the population that is 12 or 14 years old. When the average is 12 years of schooling, by age 12-14 everyone is in school. So, they have to keep raising the cutoff point to reach a general condition of complete schooling. I don't know if the US had 13.

The working day cannot be counted on a daily basis because not only has the daily workday been shortened, but also the number of days worked per year. The problems of competition between national processes of capital accumulation are striking because there were multiple statistics on hours worked, each source indicating that fewer hours were worked in its own country than the sources for other countries. Everyone tried to show their workers that they were working less than others. But the working hours strictly per year, to take one example (these were factory workers), had been reduced to 1600 hours and in some cases 1400 hours per year. This meant that the annual working hours had been reduced by at least half.

And one cannot measure the value of labor power (because it clearly declines steadily as labor productivity falls), but what could be measured was the mass of use values that constituted the hourly wage. And what it showed was that this basket of commodities and services, in the case of the US (more so at that time, because in England it later increased very rapidly as a whole series of things that were accessible to citizens disappeared and were then incorporated into wages), if I remember correctly, around the year 2000 (for factory workers the peak was 1974), the hourly basket of commodities and services had multiplied 18 times.

With all the caveats that these measurements have, which are… But there are substantial differences that lead one to say that there is a profound transformation here in the conditions of production of labor power.

The hourly wage had multiplied by 18, the cost of living, but since half the hours were being worked, this meant a multiplier of 9. We saw that the shortening of the workday is linked to a huge increase in the intensity of work. Therefore, the idea that it's multiplied by 9 because the workday was reduced by half doesn't take that into account; the multiplication is less than 9. And life expectancy at birth at that time was over 70 years. So, that's what changed for the worker we're looking at: the conditions for reproducing their labor power. I looked at workers in East Asia (China was only just joining the movement in 2000), and yes, their cost of living was lower than that of the English worker in 1820, and literacy was at 2 years… They were facing the same conditions as the worker 200 years ago. When one looked at the increase in labor productivity—which is a much more relative concept, because it doesn't simply refer to productive workers; it's full of unproductive workers, etc.—but looked at what appears to be the ratio between gross product and the number of workers employed, and that had multiplied—if I remember correctly—by 20-something per hour. Therefore, with a basket of commodities that had increased by 18, the material product had increased by 20-something, and the rate of surplus value had increased.

When I started teaching at the university back then, I always framed this simply: here's the proof that what governs the capitalist mode of production is the increase in the rate of surplus value. Yes, workers have all this now, but they are more exploited by capital than in 1820 because the rate of surplus value is higher. And the other calculation I used to show this was that the number of hours per year was halved, but the number of years of work doubled. We went from the worker who started at 10-12 years old (or younger) and died at 30 working, to the worker who starts at 18 but continues working until 60 or more (at that time, those were the retirement ages). This worker produces more surplus value for capital at a higher rate of surplus value than the previous worker, and over their lifetime, they generate a larger mass of surplus value for capital.

With my analysis of crises and... I tried to graph the evolution of labor productivity in relation to wages, their purchasing power, not their value, because it's incommensurable since the capacity of money to represent value changes, so the value of commodities changes, but if at the same time the value of gold, or whatever represents each sign of value, changes, the fall in the value of labor power won't be reflected. We'll add that when we look at the next section in *Capital,* the one on wages. If you'll bear with me, because I have to do a rather complicated search, I came across this, which is related to what we're talking about.

[...] Do you see the graph? This is very complex, so you have to take it with a grain of salt: it's not the value of labor power, it's the purchasing power of wages; it's not strictly labor productivity, it's the ratio between the material mass of the *entire* product and the total mass of *all* labor, both value-productive and unproductive. This covers the period from 1800 to 1974. What you find is a simultaneous evolution of labor productivity and real wages. At times, productivity appears to be rising, and at other times, wages appear to be rising faster than productivity. And those little dots are because they are census data; there are no continuous statistical series.

And if you look at it, what emerges is this: let's suppose this relationship reflects the movement of the rate of surplus value (not in terms of value, but expressed as how much of the material product the worker receives and how it grows relative to the total material product). This rate wouldn't have grown as much as one would assume it should have with the increase in labor productivity. So, my explanation for this—it never occurred to me that this could be the case, and I'll show why later; for me, it was always clear that the rate of surplus value had to grow very sharply—is something that appears in Marx's later work. There is such an increase in the intensity of labor, and such a need for capital to have a worker with productive attributes acquired through education, that the capitalists who incorporate technological innovation have their extraordinary surplus value. The most productive technology becomes widespread, and now relative surplus value should appear. But what happens is that this new technique generally requires such an increase in the intensity of labor and the worker's productive capacity that it necessitates the consumption of more means of subsistence, which is rendered ineffective from the perspective of society's total capital. When the disappearance of extraordinary surplus value has to be translated into relative surplus value, the shortening of the workday in hours and days, plus the need for workers to consume more use values to sustain this intensity of labor and the type of work they are doing, largely renders the increase in the rate of surplus value ineffective for capital.

And here's what happens when the series continues (it goes up to 2013, so it must be even more appalling now). And there we see what was hinted at earlier, which changes in the mid-1970s. First, real wages fall, then they recover slightly, and meanwhile, labor productivity grows fiercely. And so, the total mass of material output produced by the worker in relation to what is consumed, based on differentiation and new production techniques, has increased enormously, and this is where there has to be a very sharp increase in the rate of surplus value. And so, this leads to the change we were talking about.

And what happens here [1974]? This is the peak of the power of the industrial sector unions in the US, which were mass unions. In England, the miners' unions had never been defeated in a strike, and they are defeated when they confront the Thatcher government. So, this differentiation necessarily takes the form of a profound loss of the political and union power of the working class, and the fragmentation and differentiation of the working class. Because when you look at the graph, it's quite possible that this isn't universal. That for one part of that mass of working population the wage increase is greater, and for another the wage is lower. But on average, this is what emerges. I would like to return to this when we have addressed a later chapter, not on the immediate conditions of the sale of labor power and its use by capital, but on issues related to the movement of concentration and centralization of capital.

[Alejandro asks about the capital gains tax.]

I presented the summary here; one has to look at all the changes in production processes, in the conditions for the reproduction of the workforce. But of the twenty-something percent I mentioned… wages were practically at the same level in the 70s. And the increase in productivity per hour worked jumps to thirty-something percent. And the working day is shortened in some places; in France, the 7-hour workday appears, and in the US, what appears is a stark differentiation: working hours are lengthened… there's no longer a general shortening. But well, in any case, if it does appear, we'll come back to this.

I have a piece of work, a chapter that appeared in a book, which is available on the CICP website. It's in the form of an interview I did with a Peruvian named Óscar Martínez. It deals—very generally speaking—with changes in the materiality of

labor, in the mass political and trade union organizations of the working class, and with the contrast between how these issues were confronted and understood within Marxism in general, before and after the 1970s. It explores how a whole series of ideas derived from Rubin's work emerge as an expression of the production of consciousness—this transformation of the material conditions of capital accumulation, which is reflected in the political organization of the working class. And how, as an expression of this political organization, it takes on forms of understanding the real movement that are markedly opposed to those that existed before. If I remember correctly, I changed the title for the version uploaded to the CICP website [238].

We've come this far—and this is one of the things we had considered here, beyond Marx's development in *Capital—.* I don't know if there's anything more to discuss on this or not.

Ivan: A question comes to mind for me, but perhaps it would be good to revisit it in the next class, which is where we are going, what this forward trend presents us with.

JIC: Maybe… But I don't know if… because we'd have to stop and look at it very closely. And the question is where it's headed, but we haven't yet seen where the capitalist mode of production itself is going, so answering that could end up being something very immediate. The other possibility is to leave that for the end (if there is an end [Laughter]), for when we can revisit everything we've been doing and what what we're seeing of the general movement implies in relation to the immediate concrete movement.

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[238] [**Javiera** [Chat]: "From the denial of the materiality of abstract labor to the abstraction of free will by the new left, or from the transformation of the materiality of concrete labor to the political fragmentation of the working class."] Link: https://cicpint.org/wp-content/uploads/2020/04/JIC_2019_Cr%C3%ADtica-de-la-econom%C3%ADa-pol%C3%ADtica-sujeto-hist%C3%B3rico-y-destrucci%C3%B3n-del-capital-1.pdf

[Method I. Forms of representation]

There are two reasons for revisiting the topic of method *now* and not at the end. The first is because the problem arose of what form scientific knowledge takes within the capitalist mode of production, and beyond the development presented in *Capital,* we examine who the subject of that knowledge is. Marx makes a reference to the form this scientific knowledge takes when he speaks of the reduction of all movement to a simple, mechanical one, and what kind of scientific knowledge is necessary for this.

The other question that might arise is why not at the beginning. What we're going to confront is the form that scientific knowledge takes as the immediate form of the production of relative surplus value, because it's not simply abstract, but rather has this immediate purpose, and that purpose is logical representation. And one has to ask why, what is the operational structure of logical representation? Precisely because of its structure, it has a whole body, a starting point that cannot be proven, only shown to be the starting point. So it's easy, because it simply states: the starting point is this way, this way, and this way, and if you don't like it, tough luck, but that's how it is. Therefore, one can structure an exposition on the method from the outset.

What we developed is a method that critiques that representation, the dialectical reproduction of the concrete, which, as such, cannot unfold its forms except on the concrete it is reproducing. And so, trying to put the method's foundation before developing it ends up being… I think I had already proposed this, and we conducted three workshops on the method many years ago, and the result is: each person has to reproduce this process for themselves; it's the only way to truly grasp it. Therefore, there's no possibility of someone explaining or presenting something and another person appropriating it based on what the presenter said. Ironically, I ended up saying, "Believe me, it's true." So, we're saying that you can only truly grasp this method if you do it yourself, and if you put it beforehand… well, you're not reproducing it yourself because the concrete object isn't there; it's the opposite, it's accepting what I'm saying just because. That's why I decided not to do any more workshops on the method, and that's why it can't be stated at the beginning. I already mentioned my differences with Luis Denari on this, where for him it was important to start by presenting the contrast between the methods. For me, the contrast is developed during the process; you can't put it beforehand.

Now, why at this point and not at the end? Because we've been developing a concrete structure following that method. Therefore, we already have a structure in front of us that we can now pause to acknowledge. And having acknowledged it at this point, in what follows, we can, let's say, develop that structure, with awareness of how we're doing the development, not simply following it because I'm doing it, but because you recognize the meaning of that method of development. That's why I think it's appropriate to do this when a substantial part of the development is already complete, but before finishing it. And I connect this to what I said at the beginning: even more so when the question of scientific knowledge arises, its subject, its form. […]

Alejandro: I understand the point. The reason why not at the beginning is clearer to me, because it would be proposing an abstraction regarding the object and ends up turning the method into a theory of knowledge, and then when one wants to confront the object, an externality appears.

JIC: There's no way to truly master the method if you don't implement it. I've had experiences with people specifically from the Political Economy program at General Sarmiento University, because that's where it came up... with enough time to reach this point and present it. And some people were happy that it came up at this point, while others got very angry with me, saying that if I had presented it to them from the start, it would have been much easier. But it's impossible to implement from the outset.

The other experience with the workshops was this: we started by looking at what was happening with logical representation, and there were people who participated a lot and were very engaged. These were workshops, except for one with the history students, that weren't part of any degree program's curriculum. And there were people who participated a lot until they were confronted with these questions: what do we do about these issues? And when we started with the other development, since we had to establish something about the incipient development of an object so that it could be followed, those people ran away in horror, because it seemed like something forced. That's why I think the most appropriate place to introduce it is here. We pointed things out each time we progressed: well, this appears here… And this, from the point of view of logical representation, is unacceptable, or impossible to achieve. And yet, this is what keeps us moving forward. Let's start with the method and see what comes out (I'm a bit distracted by things unrelated to the workshop, but I'm trying to keep things flowing as coherently as possible), and let's participate and discuss. […] Let's get to the heart of the matter.

When we began (not immediately, but very early on), we looked at the question of knowledge in relation to the human life process as a metabolic process, the determination of the living being as a subject, and knowledge as the moment when action is organized, as well as the expenditure of the body to virtually appropriate the potentiality one has as a subject in relation to the potential offered by the environment. We emphasized that action is ongoing; it is not separate from this limited expenditure of the body. And we looked at the properly human form of this knowledge, a product of the development of the productive forces of labor, which at the same time shapes the productive forces of labor; it is conscious knowledge: knowledge that knows itself to be knowledge. Now, what we didn't consider at that time were the ways in which this knowledge could "operate."

Since the first thing a subject does in relation to their environment is to confront it with what it presents "immediately," conscious human knowledge, and its development in the historical process, needs to begin with a knowledge that grasps the potentialities inherent in the environment as they are immediately presented to the subject. Thus, the first form of conscious knowledge... We return to the distinction with a knowledge that is not merely animalistic, but rather self-aware, that knows that what it is doing is organizing action, taking the object of action and

taking the subject itself as they present themselves in the relationship in which they are confronted. And as they present themselves, above all, it is through the externality of the object. Therefore, what the subject does is *represent* their condition as a subject in relation to the environment.

And one can look at different scopes and modes of representation, but what is known of the object is its immediate exteriority. In this lengthy development, you will see that there is a development of religious representation in particular, which appears alongside a whole development regarding the generic human condition, but which I will leave out. There is also something about artistic representation… The way in which this representation is governed appears to spring from a subjective condition; it does not pretend to be a purely objective appropriation of the potentialities that one has as a subject with respect to the potentialities of the environment. There is always an appropriation that aims to govern action, and insofar as it needs to govern action, it needs to have a *certain* objective character, but it seems that the capacity or possibility of this knowledge springs from subjectivity. In the case of religion, it appears to be a matter of faith; it does not pretend to be objective: if the subject has faith, they know in this way, and if not, they cannot. But there is always a content of objective knowledge, because what will govern is an action that has to face the object on which it will operate and needs to appropriate it to a greater or lesser extent in its objective attributes.

There is practical representation: we saw that manual labor can only be learned by doing. There is a process of knowledge acquisition, but in the part that transcends what is merely "capacity" within the individual, their appropriation of the process is knowledge based on representation: they show me how to hammer, and I learn to hammer by hammering, without knowing to what extent the force I am applying to the nail head with the hammer overcomes the objective resistance offered by the wood to the nail penetrating it, and so on. But what we saw with the development of large-scale industry and the replacement of manual labor by machinery is that the need arises for *fully* objective knowledge (so to speak), where the subjectivity of the individual who knows is no longer the basis or foundation of that knowledge, but rather that knowledge is the objective appropriation of what we used to see as natural forces. These are the objective potentialities that the object of work and the instrument of work have with respect to the objective potentialities that the human being has to be able to appropriate them, in order to *objectify* that control of the natural forces in the machinery, and make them automatically discharged on the tool, and that this transforms the use value of the object of work.

Thus arises the need for knowledge that can only be founded on the subject's appropriation, through thought, of the objective determination at stake. This is scientific knowledge. It is so objective that it can materialize independently of the subjectivity of even the individual who produces it, in contrast to manual labor, which is inseparable from the individual producing that knowledge, which is solely for themselves and cannot be appropriated by another.

Aristides: This is where my doubt arises. Previously, you presented the impossibility of transmitting, of starting with the method, as an *a priori,* as

something that depends on a subjective, individual process. But at the same time, now we are proposing what appears to me to be the opposite.

JIC: Yes and no. Partly because I'm not being as consistent as I should be with the exposition. What I proposed is—and this applies to any objective method—: it can have an objectified existence, I have the book, but if I don't read it and internalize what it presents, I'm not a bearer of that knowledge and I can't organize my actions based on that knowledge. That's one part of it.

On the other hand, I said that there is a method that exists independently, it has a body, a structure that I can appropriate. And I contrasted this with a method that lacks this structure, and therefore I cannot appropriate its structure unless I do so by applying it to a concrete object that I am coming to know. But regarding the other aspect at stake there, going back to the first point, if *I* do not appropriate the potentialities that the object possesses, whether I appropriate them objectively under the fullness of objective conditions, or whether I appropriate them through faith (because with faith I am appropriating them in some way, even if it is a potentiality that is not actually present in the object's body)... But knowledge is always an individual process.

We said that consumption is always an individual process: if I don't appropriate the use value, I can't consume. The same applies to work: it's always an individual process; if I don't use my body productively, I can't produce. So, knowledge—if I don't appropriate it within myself, within my subjectivity—I have no way to govern my actions through that knowledge. What we also saw when we looked at this dual nature of knowledge and consumption is that we work with the means of production produced by others; we learn to work as a product of the work of others—we call this the social character of labor. And when we consume, we consume the use values produced by others, and we consume in order to be able to produce again for others.

This is what one has in what you're proposing: if I haven't *ideally* appropriated the potentialities I have as a subject with respect to the potentialities of the object upon which I'm going to act, I don't know, I can't govern my action by that knowledge; I'll govern it with whatever knowledge I have. Now: that knowledge that I will have produced for myself is a product of the social work of those who have operated in the process by which I produce my own knowledge.

What I can contribute to this (which is somewhat premature, but perhaps it might seem the other way around) is this difference: I can know something because someone convinced me that it is so. And this is where religious knowledge comes in: someone told me that this is so, and I accept it. So I have knowledge that stopped at the appearance that the other individual had adequate knowledge to guide my actions, and I know in this way. And in scientific knowledge, now let's look at... I made a reference to the starting point of logical, objective representation, where the starting point cannot be proven, only shown, and I must accept that it is so. If I don't accept it, I cannot develop that knowledge. So, I have to convince myself, or be convinced as a product of social work, that it is so, and from there it is possible to develop this objective knowledge. And what I'm proposing is

a form of knowledge that says I can't acquire it simply because someone convinces me. Because then, I stopped at the premise that this other individual possessed a form of knowledge that says I can't acquire it through knowledge itself, but only by being convinced by someone else's knowledge. I can only acquire it by following the same path the other person took and critically examining what they did. So, what we have before us are different ways of acquiring the form of the knowledge process, which is essentially the method each piece of knowledge employs. Someone can convince me through force, but no one can make me follow the same knowledge process as the other person. On the contrary, if they start hitting me, I'll say yes so they'll stop.

One last thing. When I said that something can be objectified, I meant this: one can say that verbal discourse is an objectification of the thought of the individual speaking, but it's an objectification that lasts only as long as the individual is speaking. And in many aspects of practical knowledge, that level of objectification of transmitted knowledge is sufficient for another to appropriate it. But when one speaks of objective knowledge that must transcend the most immediate appearance, that knowledge has such complexity that its oral objectification is insufficient. And as human knowledge develops because the process of social metabolism becomes more complex, what emerges is the need to objectify an individual's thought so that others can appropriate it. And this begins with cave paintings and extends to written language, which is—at least up to this point—the fullest expression of the objectification of an individual's knowledge so that another individual can appropriate it. Now: the individual can appropriate it because they read it and say: "Ah, of course, this is so because I am convinced that it is so," or I can subject it to criticism: this person says that we have to do this, this… Well, I'm going to take the same path: do I find the same path or not? It is another way of appropriating that knowledge.

Aristides: Yes, that really helped me, but this still lingers. What happens, say, in a university setting, in the political and academic struggles...? Let's say I form a group and invite you to organize a course on reading *Capital* at the university: aren't I also influencing (maybe I'll succeed, maybe I won't) the subjectivities of future sociologists, of the working class? Aren't I having an impact on those individual processes of knowledge as they confront this objectified knowledge? I ask this because of a question that came to me from the previous meeting: where does the work spring from...? Well, your work, but I'm referring to all objectified knowledge, a bit of what we're humbly doing here in our individual processes. Where does all of that come from?

JIC: I'm going to give a short answer, and then I'll... Actually, I should have sent it earlier; I think some of you already know about it. It's a text originally developed for internal use by the CICP, based on discussions that had arisen. I think it's called "On the CICP's Form of Political Action," and this is where it's found. The other text is called "On the Forms of My Critique," which also came from some internal discussion. But this other one is about what's being done at the university... [...]. But the other general aspect of what you were saying is the task of the teaching staff: the objective of their actions is to influence the students' consciousness, whether they like it or not, whether they want to or not. It's what any teacher does

at any level. Because their object of work is the student's consciousness and will. Now, one can approach this in two ways: I'm going to convince them that this is the way it is, or I'm going to lead them to have to answer for themselves whether this is the way it is or not.

I stayed away from university teaching for a long time (at one point I couldn't even set foot in a university because of the military dictatorship, but that changed later), because one of my concerns was that I was going to operate within the process by which these other members of the working class develop their consciousness, something that requires a long and complex process to acquire, and I only have one semester to carry out that process. What's the point? In that text, there's a discussion with a highly respected Argentine Marxist, both for his work and his personal stance, Horacio Ciafardini. We argued several times because his point of view was the opposite of mine, and there I outlined what we discussed and, in a way, the "synthesis" of why I had decided to do it anyway. I always clarify that among the factors involved was the sale of my labor power; it's not simply an abstract problem. So, one is always operating within the process by which other individuals produce their own subjectivity, and that's what the teaching task is, that's its content.

So, one of the discussions (that's in another work: "Economists for What?"), is that one is always... You brought up the sociology aspect, and an adapted version for sociology had been published, but we've already seen the total capital of society, and when one studies what appears within the "social sciences" (political economy, sociology, political science...), one doesn't study it to operate in the movement of individual capital alone, but in the movement of the total capital of society, or of individual capital in relation to the total capital of society. And when we look at the movement of the total capital of society and the state as its political representative, one is operating in the process in which students produce their consciousness as political subjects, and therefore one is acting as a political subject: it's inseparable. That holds true for all educational processes, but in the social sciences it's starkly clear that what one is doing is operating in that process.

The recurring problem is this: who is the subject of this production? It's not the teacher, it's the student; the student is producing their own consciousness as a political subject. But we are operating within this process. This is a product of social work; it's the role we play in the process of consciousness formation. And so, we can try to convince the student that, in reality, when they are in the classroom, they are a scientist objectively studying the movement of social life, or we can challenge the student to ask themselves what they are doing in this process of forming their consciousness and how they objectively know what is happening in this process of social life. That is what we always have before us.

Ivan: I have a question that you've already partially answered, which is about the form of religious knowledge, something you haven't discussed much. What bothers me is understanding religion as a form of knowledge. What I see is that it's based on appearances, like the sun rising in the east and setting in the west, and it appears as if the sun revolves around the Earth, which is at the center; or it appears as mysticism, for example in Egypt where medicine had advanced in

treating war wounds, because they were seen as caused by human actions, but when illnesses appeared, they thought they were curses, and they treated them with a horrible concoction to try to expel that "demon" they had in the body. And then a form of knowledge appears that tries to understand the social, but it appears as a commandment, as a way to justify a certain social order: in pre-capitalist societies, the ruling class or the king as the representative of God on Earth. So, in some cases they remain at an appearance and in others they construct false ideas about the world, so it is not a simple stopping, I see it as the opposite of knowing: they stop at the dogma of faith, but the problem of knowing is to transform the world, they stop at an ideological construction.

JIC: What *is A way of knowing.* Because the purpose of that knowledge is to organize action, based on that knowledge. And one more thing: firstly, in religious representation, there is no *element* that isn't real, because in human thought there is no element that hasn't sprung from the subject's immediate experience of their environment. So, a character appears with wings, but those wings were taken from a bird. The example I've always liked is that creature with eagle talons, a lion's head, and the body of I don't know what... They are all real elements placed in a fantastic relationship.

Now, why is this fantastic relationship necessary? This fantastic relationship is the way in which the life process of that society is governed. Precisely because of the limited development of the productive forces of human labor, it confronts its own potential in relation to the environment as something it cannot control. And so, it represents it in forms that allow it to appropriate what it cannot control. You mentioned Egypt, but universally, in religions, at a certain stage of social forms, the Sun is the fullness of power, not only in what appears as the universe, but also in the immediate society. So there is an identification of the one who appears as the full representative of power with this "natural" phenomenon, because it is clear that one is subject to this natural phenomenon. So, this is a representation. Appropriating the image of an animal... I don't appropriate the image of the cockroach, I appropriate that of the lion, because then I will have its strength.

And the other issue that arises with religion is a point at which human subjects begin to appropriate their condition as generic beings, only this appropriation of the condition of being generic appears as an alien, estranged condition. One has to consider this: the limited natural lifespan of living individuals is the way in which the species' capacity to appropriate the environment develops. If human beings had an indefinite individual lifespan, they wouldn't be human beings, they would be Cro-Magnons (let's stay close to that point in history). Limited individual lifespan is what generates a body with attributes that the previous body lacked. In human beings, this is particularly evident in the development of the brain, which is the organ of consciousness and will. Therefore, religious consciousness is the first manifestation of an awareness of the condition of being generic. However, the generic being is placed outside the very process of human life. In the process of human life, I am a limited individual, subject to all the vicissitudes that do not transcend my individuality. And in religion this appears alienated: when I die, I will be with the divinity, which is the bearer of the generic being, I will have an eternal

life, instead of being able to recognize that the form of my eternal life is because I am a generic being, in my limited individual life.

So, the question of recognizing myself as that generic being, not seeing it as something alien to me, is the development of that consciousness: the shift from religious consciousness to an objective consciousness. Now I know that *I am a generic being,* not because when I die I will begin to be one and have eternal life: what I have is that, as a human being, I have a life (as long as the conditions for human life last). This is what we were looking at at the beginning as well. We are historical subjects because each human generation is the product of the work of the previous generation; it encounters a world transformed by previous conscious and voluntary human action, and that is why human beings are the subjects of their own history. This is what is at stake.

Then, it's clear that religion is apparent, ideological, not objective knowledge, especially considering the historical moment when objective knowledge could exist as such. Now, religion also has objective content; it's just that with historical development, it becomes purely ideological. But when the Egyptians with their worship of Ra, or the Mayans created their calendar, they saw it as an expression of divinity, yet they created a calendar that objectively measured when to sow, what to harvest, how to water… It has that content. And in what you were saying… With war wounded, there might be an immediate manifestation—this guy is cut: we have to repair the cut—but with the illness you were referring to, we have to understand much more than the immediate manifestation that the individual was hit in the head with an axe. And I didn't have that capacity.

So, the way to deal with something they lacked the capacity to treat was to say… well, a miracle. We give them this… Part of that required objective knowledge, things that operated within the organism of the sick individual. Then this continued to advance in the development of primitive medicinal practices; this knowledge developed and became the origin of scientific knowledge. When that knowledge was developed, one says: well, before, it was limited to appearances; they didn't know why the concoction they were given cured them, but now I can explain why this cures and that one doesn't. I don't have to turn it into a fantastical problem of how the gods are going to operate on this individual. So, historically, it's alienated knowledge because it places the generic being in something that is outside of the human being. It's not alienated in the commodity, not at all, but it is: I see myself as a generic being and I can't recognize myself in my individuality, and the only way I can recognize myself is by placing it as something above me: divinity.

Alejandro: […] The question I wanted to ask is about the development of human consciousness, how its vital activity has this generic attribute of being governed by work. How does it appear in the development of our immediate ancestor? It was because of a debate with a professor, who argued that consciousness wasn't in the human body, but rather something immaterial—which already struck me as odd—that I started reading Engels, *The Part Played by Labour in the Transition from Ape to Man.* And there was this mention that the evolution of a human subject's life synthesizes the entire evolution of humankind, this passage from the hominid ancestor to what is properly human. The question of consciousness in the infant

arises [...]. I'm not entirely clear on when an individual subject begins to advance in knowledge on their own. Furthermore, I tend to think (perhaps it's just an appearance) that when the baby becomes more of an infant than a baby, that consciousness doesn't appear so clearly, and then one isn't operating on their process of knowledge but rather *determining* their own consciousness.

JIC: What we set out to do was: we looked at the "nascent" human being going back two or three million years. You can't say: up to this point it was an ape, and from here on it's a human being. The very development of consciousness... I don't know if we talked about it here last time.

Ivan: No, it was in the workshop on "Economic and Legal Relations".

JIC: [...] So, what we propose is that human beings differentiate themselves from animal species through their capacity to appropriate the environment, and the multiplication of the productive forces of human labor is sustained by the production of means of production. The more mediation there is from the starting point of labor (the productive expenditure of the body) to the point where there is a use value that reproduces a human body, the further, so to speak, human knowledge, the capacity to govern that action, has to reach. Therefore, the development of the productive forces entails the development of the capacity for human knowledge.

When you look at the origins of humankind, it's animal knowledge, and at the same time, it's no longer simply animal knowledge, because we are animals with a specifically unique capacity for knowledge. And we carry that capacity for knowledge within us. Because, again, we don't only know consciously. In a short while, the stomachs of those of us who haven't eaten yet will start to tell us that we need food, and that's simply animal knowledge. Forms of purely animal knowledge don't disappear; rather, they develop and take on specifically human forms, and some, in order to develop as unique to human beings, lose the scope that animal knowledge once had. That's why we propose that there comes a point when, in order to organize action, the result of the action is so far removed in time, in all the intermediate processes, between the individual who carries out the final step in the process of producing a use-value that reproduces a human body, and the starting point, that this knowledge begins to have to know itself as a process that knows it is consciously organizing action, that knows it is knowing.

At what point does humankind...? One can argue that human labor differs from any animal productive activity not simply because of its scale, the extent to which it can transform the environment, but because it is organized by a knowledge distinct from any animal knowledge. It is a moment that... One can see milestones in development, but it is clear that it appears much later than the beginning of that development. When one looks at alphabetic writing, one can say that there is a milestone here, because it implies that the complexity of this process of human life, of social metabolism, is such that it can only be organized when an individual's knowledge transcends the possibility, the scope of having a verbally objectified existence, and must have an objectified existence that transcends the presence of the individual. But if one goes back to cave paintings, it is clear that there is a

knowledge there that is very far removed from simply animal knowledge, and it is that of a subject trying to represent itself in relation to the environment in which it has to operate. Which means that he is recognizing himself as a subject who knows.

And as one goes back in the development of human knowledge, one cannot say, “Consciousness appeared here”: there are different scopes of consciousness. Religious consciousness is one, scientific consciousness is another; it's not that one is consciousness and the other a negation of consciousness. One has stopped at a certain form of the human life process, and the other continued to ask what content lay beyond that form and answered that the content is this and not that. They are concrete forms—because they also operate on the concrete conditions of production—but it's not that there is one consciousness and everything else is a negation of consciousness. They are forms in which the human being, as a generic being, has come to recognize itself in its condition as a subject.

So, Alejandro, we'd have to look into modern studies on that. I'm not familiar with them, except for having witnessed two processes of human beings being born who went from their merely animal condition to conscious and voluntary subjects, and I don't quite remember when they did each thing. But what one does have to consider is that human beings today are born with attributes in their subjectivity that humans a million years ago didn't have. The capacity to produce their own consciousness, conscious knowledge, is much greater. Because, among other things, they have a brain capable of making that advance, even if no one questions it… It's impossible for an individual not to be a product of social labor (the opposite is a fantasy, what Marx called a " Robinson Crusoe-esque fantasy "). So, they will develop the potential they possess, different from the human being of a million years ago, based on the fact that biologically they have a capacity that the other didn't have, and they will be the product of social labor that has a capacity that the other didn't have. There's a process in which one can't say that consciousness was born at a specific point. When one thinks about the mastery of fire, it already involves a conscious and voluntary action; it is not simply animalistic: it requires an ability to know that by doing this, one will reach this result, which is mediated by the action of rubbing pebbles, or sticks, or whatever.

Leonardo: This discussion of consciousness brings to mind a question about Alfred Sohn-Rethel's work on intellectual and manual labor. His argument (which I'm going to criticize quite harshly because it's been a long time since I've read it) essentially states that scientific, mathematical consciousness—geometry, for example —establishes a homology between the rules of exchange and what happened in Greece with the generalization of currency up to a certain point. He also points out that the first mathematician was also a lawyer—Thales of Miletus. And that, in itself, exchange involves a mental abstraction, and that the metaphysical properties and presuppositions of points and lines arise from the conditions under which one must assume that, for example, to exchange oranges for wood, there is something homogeneous that one must abstract. Since I don't yet have the second edition of *Knowing Capital Today,* I wanted to ask what your critique of Sohn-Rethel's work was.

And then, on the subject of education, there's a book by a "Marxist" historian and mathematician that traces the history of pedagogy, mathematics, and the role of abstraction and representation, and discusses how symbols, as mechanisms of abstraction, become a necessity for the development of a society. I'll leave it at that, because otherwise…

JIC: Regarding Sohn-Rethel, I'd tell you to get my book [Laughter]. He makes quite a reversal of the determination of consciousness… But it's a long one; the argument is developed in the book. He believes that abstract labor arises from change, instead of seeing change as an expression of the fact that quantities of labor are being equalized, because it's done privately and independently. So he puts this idea of abstraction on its head, turning determination on its head.

Regarding… It's clear that human thought, the capacity for conscious knowledge, develops, and one of the expressions of this development is the ability to increasingly abstract from what is immediately before us. Where, specifically, do forms of mathematical knowledge originate? Especially in those societies where life is only possible through large-scale irrigation. There, it becomes essential to be able to quantify the time of year, the river's flow, the likelihood of flooding, and the required resistance of the material channeling the water to its force. This knowledge originates as religious knowledge, attributes of the divine. And later, when the capacity to govern these matters expands significantly, it emerges as strictly mathematical knowledge.

Ivan: When we look at religious and scientific, logical consciousness, they appear as two distinct forms of awareness. But it also happens that there are individuals who have a developed scientific consciousness, who apply formal logic, or scientific knowledge and productive attributes, to their work, but then, in their other ways of understanding society and other individuals, they don't use that kind of scientific knowledge but instead seek it in forms of religious knowledge "à la carte," such as tarot, past lives, etc. What need arises for these two forms of consciousness in individuals?

JIC: It's somewhat premature because they have a dual nature. Part of it stems from the very nature of scientific knowledge, but we'll have to get to that as we move forward. But the other issue is: let's never forget that we are free individuals because we are alienated by capital. And, therefore, we confront our own generic potential, our condition as historical subjects, as something alien to us. And that can be seen as a manifestation carried over from previous forms of alienation, or it's a manifestation of the alienation inherent in the capitalist mode of production, only it's stated in a "chart" instead of being present in the objectified social relation.

The inability to recognize oneself in one's own determinations because one is a free individual due to alienation necessarily leads to the need to confront one's own potentialities as potentialities that originate outside of one's own subjectivity. And at the same time, these things have a certain character—you said it's like "à la carte"—it has something of a lack of determination. And one might think that this is characteristic of an individual who needs to see themselves as free, who at the same time cannot do so because they are alienated, and so they put pure chance in

place of causality, wanting to believe that their determination is devoid of determination. Because religious alienation is not devoid of determination; rather, it states that I am determined by this divinity in such and such a way, and I have a mandate of what I must do because this is so. In this other case, it sounds more like: I refuse to accept that I have a determination, and the only way I can accept my determination is if it appears to be alien to all determination. But I don't know if that's all it is; it's just a response that came to me in the moment.

Alejandro: I was going to ask a similar question because I've worked closely with engineers and biotechnologists, and what Iván mentions is clearly evident. They see the limitations in their work, but not in their own subjectivity. So, in one form or another, the idea that they are free individuals is naturalized. And they end up resorting to these things, for example, astrology. There's also a kind of determinism that's still a long way off, but this need to be in front of the computer for 12 hours a day, and at some point, they need to abstract themselves from everything that immediately arises in their work life. Then Friday night comes, and they use certain drugs, and they advance in that abstraction. And in the same way, they consume these kinds of theories that present their subjectivity as indeterminate. For me, there are intermediate steps missing to get there, but it's present from the very beginning in the scientific method itself: seeing objectivity as something separate from subjectivity.

JIC: We'll get to that. Let's move forward a... I can't remember where I was pointing.

Ivan: You mentioned in passing religious, artistic and practical consciousness, you said 2 lines of "*logical-formal*" consciousness and that's as far as you got.

JIC: Yes, the need for a representation that does not appear to be based on the subjectivity of the individual who knows, but rather on objectivity regarding what is being faced.

The idea was, as a next step, to confront that form of representation. A representation that will be based on the premise that what I have before me is objective; it's not something I've created, but rather how this object, which I have to appropriate, presents itself to me. And it's a representation because it's precisely how the object presents itself to me, and I will present it again in my thoughts. And when one looks at what will develop as a *logical representation,* the starting point for objectivity is to say: here, in the object, there is no content other than its form, than what is presented to me. And consequently, I have to relate the multiplicity of forms before me based on…

The organization of action consists of relating these objects to my condition as a subject, and I will do so on the basis of how these things confront me in their actual existence. Consequently, this confronts me as an actual existence, something that is immediately affirming itself in what it is, and therefore, it cannot contain anything that is not immediately manifest. It cannot have a power other than its immediate manifestation. I need to appropriate this by representing it to myself as if it were the product of a simple immediate affirmation; it has no other need than to present

itself. How then am I to recognize its necessity, to ideally appropriate the necessity contained in this diversity of concrete forms? I myself, insofar as I am an object that will act as a subject, where am I to recognize its necessity?

I can only recognize it in its manifestation. And for that, the expression of that need is: I look at all the forms, which are more or less similar, and I see what is always present in their manifestation and what is sometimes present and sometimes not, and I will say that what is always present is the attribute that makes this thing what it is. And then I will represent that recurring attribute as the concept I have of this thing, in the construction of thought. And I will do that with all the different objects I have to confront, and I will look at each one to see what is always repeated, and that is the "essence" of it (I have trouble using this term, because here there is no essence other than form). And on that basis, I will have represented each object in what appears to me as its most universal determination.

next step is to relate these different objects, to relate my actions to them. I need to know if the tool will be able to operate on this object, and so on. I separated them, eliminated the attributes that weren't repeated, and now I have to relate them. And as I said, there's no need here other than what's externalized in the very existence of the object. I can't say that these concepts I'm constructing will set themselves in motion, because if I did, I'd be saying that there was a content here that wasn't immediately manifested in the form, that there was a potentiality that wasn't expressed as realized in the form. So, to be consistent with this development, I have to superimpose on all these inert objects that I've constructed in my thinking an external relationship that links them. But this relationship can't be fantastical; it has to be objective. Otherwise, I'd be doing the same thing as religious representation, which also separates based on appearance and places them in a fantastical coherence. So, I have to build a structure of objective necessity in order to link these things that are not capable of linking themselves. And that structure is logic. But then I have to establish logic, to start by saying what the structure of this will be.

To that end, I must begin by saying that here there is nothing that is not simply identical to how it appears. But when I confront things, I see that they contain potentialities; they are not simply inert things. Therefore, I must transform them into inert things in my representation, starting from the premise that nothing can transcend itself, nothing can affirm itself by denying what it is. All movement must come from the outside. And this necessity of representation appears as the principle of identity: $a = a$. That is to say, a cannot transcend itself, because beyond a, all that exists is a; it cannot become something different; reaching its end, it cannot be anything other than what it is. To complement this principle, I must say that it cannot simultaneously be what it is and not be what it is. Therefore, I have that contradiction is inadmissible, it is the principle of non-contradiction: ¬(a^¬a), cannot be affirming and denying itself at the same time, which would be not being what it is.

And to show that all necessity is exhausted in these first two principles, I have to say that there is no other necessity: it is either this or it is not this, but it cannot be a third thing. Before Leonardo jumps in and talks to me about fuzzy logic and

modal logic… Modal logic says: it can be this, this, or this other thing, but what it cannot be is this because it is this other thing. And so it is the formal extension of the principle of the excluded middle: it is this immediate statement, or this one, or this one, but it cannot be this immediate statement and at the same time this other one, or it cannot be—and this is the essential point—this immediate statement because it is this other immediate statement. I'm going to explain this, based on what we talked about at the beginning, about why we've gone up to this point.

When we started out, at a certain point we reached free consciousness. And what was it? It's the form that alienated consciousness takes. What I'm saying is that alienated consciousness affirms itself through its own negation, and yet what we saw is that the content of free consciousness in the capitalist mode of production is alienated consciousness. And this is inadmissible from the point of view of a logical representation: it can't be because it's the opposite. And this will be projected onto what is called dialectical materialist logic, where there is no way to give substance to that representation. […]

Those three I stated are the principles of logic. They cannot be proven; no one can prove to me that something is something and cannot contain a potential that is the opposite of what it is showing me. To the point that in common knowledge there is the expression that "appearances are deceiving," which means that the content does not manifest itself identically in the form, which is the opposite of the content. Therefore, logical principles must be believed as a matter of *objective faith.*

They can show them to me, and I accept them as a starting point, but they can't prove them to me. So, we begin by constructing a representation that will progress based on the relationship between concrete forms, starting from the inability to objectively establish its own foundation. It relies on my acceptance of these principles, which clash completely with actual concrete movement. Therefore, one has to go through a long learning process, which at one time included learning logic itself, until one becomes convinced that the only way to know objectively is through knowledge that confronts the concrete forms I have to work with as what is obviously the opposite of what they are. It's telling me that nothing can have a content that isn't immediately equal to its form, and if I went through life believing this, I would crash and burn; at the very least, I would fall prey to all kinds of swindlers because I would mistake the content of what they're telling me for what they're presenting.

So, we have this form of knowledge, which we'll examine next time to see what powers it has, because it clearly does. One sees in its immediate manifestation that this form of knowledge is revolutionary… We saw that the capitalist mode of production needs to continually develop the productive forces of labor, governed by a form that simultaneously contains the negation of that development, and it relies on this science to do so. So, it's clear that this knowledge objectively allows for the domination of natural forces, the objectification of that control in machinery, making it operate, and so on. But we have to see why it needs to start from this, which clashes so sharply with immediate knowledge, with the immediate action of human consciousness.

[Method II. Logical representation]

Alejandro: I wanted to ask about how formal logic works, and whether there are any authors who are considered leading exponents of formal logic as a methodological approach, or if it's a procedure that science in general adopts without questioning the process. I don't know if I'm explaining myself clearly.

JIC: One can trace it back to Aristotle, because he provided a large part of the foundations, one could even say the very body of formal logic. And then there have been modifications, additions, developments, which one might wonder why they occurred at different historical moments. And there's a stage where all the formalization appears, all the very strong symbolic logic; there's a whole school that proposes this, which some now question, and it's called… it's not logistics, but something like that [239]. There are tons of texts. In general, logicians don't call it "formal logic"; for them, it's *simply* logic. For example: *Elements of Theoretical Logic* (Hilbert, Dinero, and Ackermann, W.); I happen to have one called *Mathematical Logic;* there's a two-volume dictionary by Ferrater Mora that deals with the history of logic, the different approaches, concepts, syllogisms…

I think I mentioned what appears as "materialist dialectical logic" last time, but I didn't elaborate much. One has to differentiate, because if one says "dialectical logic," it's Hegel's, if you will. His book is called *Science of Logic*, which deals with dialectics, and the entire book is divided into three parts, each chapter with three parts, and so on. First, I confront the thing itself (formal knowledge), then comes the knowledge of the content, and then why the content has the form it began with. But it's presented as a construction of thought, as a course that thought gives itself.

In response to this, the arguments of "dialectical materialism" emerge, so one might say "materialist logic." And there, arguments appear as "laws," but if I want to develop a line of reasoning... Formal logic tells me how I have to reason. And these give me statements about things, but they don't tell me how to develop that reasoning. There's the law of the interpenetration of opposites, of the transformation of quality into quantity... but they don't tell me how I have to deal with the concrete situation in front of me. I think I mentioned a book by Joja, who is a guy who tries to transform these arguments... Lenin talks about the "elasticity" of concepts. What does that mean? Joja tries to transform these arguments into laws of what he will call dialectical logic. So, he starts: if formal logic has the principle of non-contradiction, he has the "contradictory complex predicate." And then he has the equivalent of the principle of identity and the excluded middle. But he reaches a point where he says: but in order to do this, one has to start from a concept that is… from a simple statement, which means: the predicate is the predicate. Then I can introduce a complex, contradictory predicate, but a contradiction *is* a contradiction. And I can't have a contradiction at the starting point because otherwise, the entire logical structure collapses. For me, he is the author who most tried to construct a logical structure that aimed to be dialectical, and he goes so deep that he ends up falling into the situation where his entire

[239] Logicist /Logicism ?

construction has to be based on the principle of identity; he cannot escape that condition in order to build a structure of thought.

For me, books on dialectical logic are generally very valuable… I have one by Lefebvre, who was considered the authority on the subject for a time, and it goes around in circles and nowhere explains how that form of reasoning is structured. And there are others like Woods and another guy named Alan… who are more recent, and who, faced with the traditional problem of whether the atom is a particle or a wave, end up with a problem of percentages: it can be 30% wave, 70% particle. Then, one applies that to free consciousness as a form of alienated consciousness, and one can say that in the capitalist mode of production it is 20% free and 80% alienated and that it will progress until it is 80% free and 20% alienated. That construction doesn't mean anything. […]

Marx has a very strong critique… He has a whole series of discussions with Proudhon about logic and constructions that are not logical, in the sense that logic is an external necessity imposed on the object one wants to know, in *The Poverty of Philosophy*. What he says is: Hegel has nothing but logic, and Proudhon has more than Hegel because he tries to confront real movement, but what he does is (I'll put it very succinctly) that, when real movement shows him things he doesn't like, he leaps to an ideal structuring of the relations between the forms he's observing. And when he doesn't like that logical relation, then he returns to what he believes is the real development of the contradiction. And then he concludes by saying: Hegel had no problem because he only had logic. What problem does Proudhon have? Does he show the development of real contradiction as he understands it? No. Does he show the development of the categories following the structure of logic? No. What it shows is the history of its own contradictions, the clash between a representation that begins with a need external to the object, and a process of reproducing that object in thought. If the object has potentialities that one can ideally accompany in its development, then it doesn't need an external constructive need. If one considers that it does need one, it starts from the premise that things don't contain any potential to be realized other than that which is immediately manifested in the form they have as realized. I don't know if this helped, Alejandro, if it addressed your concern.

Alejandro: Yes. I'd been wondering how the necessity of a thing appears externally in logic. I'd gone back to Aristotle, Descartes, and Hume, and returning to part of *Anti-Dühring,* where this concept of cause and effect appears, it doesn't seem like an immanent determination of the object but rather ends up stating that it's one thing that moves another that has no movement of its own; something external has to come along to move it. In Hume, it's quite clear. It was also present in Aristotle, although it might be more complex because of what he proposed about potentiality and actuality, but when potentiality appears in actuality, there's a substantial change, so it wouldn't fit. I also took note of the authors you mentioned.

JIC: I think some of those points are discussed in the chapter on the method.

What we had was that in representation, since it starts from how the object is presented to the subject, how the subject presents itself as an object, what we have

is that objectivity is founded precisely on the presentation, on the repetition of that presentation. In the process of representing the determinations of the object, what is done is to start from the immediacy of that object and analyze it in a process in which those features that are repeated are separated from those that are not. In this way, a representation is constructed in which the object is abstracted from features that are not repeated, until the point is reached where the "substantial" determination is considered to have been obtained (it is not accepted that there is a substance and a form), and then the concept regarding that object is obtained. This is done with more objects, and so on.

And one must not forget that this is the process of organizing action. Therefore, the subject will have to operate not on an object emptied of the things that were not repeated, but on an object that has all the characteristics, both those that are repeated and those that are not. Consequently, completing this analysis of attribute abstraction, one now has the representation of the object abstracted from these particular aspects, and one must represent the object again with all the particular conditions that appear. Then, one must begin a process of establishing a relationship between the different concepts. But since concepts are constructed on the basis that there is nothing that is not immediately present in the manifestation, within the concept there is no necessity that can unfold on its own. The concept is empty of necessity because all necessity is already realized there in what is manifested. Therefore, one must relate these different concepts. And it is necessary to impose upon them externally a constructive necessity that represents this starting point: that the objective is what manifests itself, and nothing can be anything other than what manifests itself or what confronts representation. Then arises the need to establish this structure of logical necessity. But to establish it, one cannot start from what was encountered in the real movement, because in the real movement, one encountered the fact that objects contain potentialities that are not immediately identical to their manifestation.

Last time I forgot to mention several times (three, if I recall correctly) Marx makes this observation: if content were identical to itself in form, then scientific knowledge wouldn't be necessary; one would simply look at what's in front of them and realize what it is. The problem is that the phenomenon isn't identical to the content, and that's precisely why scientific knowledge exists. He has some irony here, saying that economics is the only science that ignores this, but it's actually a universal truth for science within the capitalist mode of production. Therefore, one cannot justify working on the premise that there is no content other than the immediate form.

That's why the logical principles that provide the starting representation for the construction can only be "shown," not proven. Believe it or not: if you dispute the principle of identity, you can't make the construction. You have to accept it. The same goes for the principles of non-contradiction and excluded middle. And that's why it's the starting point for the entire unfolding of relationships that will necessarily be tautological, because since nothing can transcend itself, nothing can be different from what it is. All logical constructions—and this is stated by logic theorists—are tautological. The problem with logic is that something is stated, and the relationship is already present in that statement. The problem is that it can't be

seen, so the logical relationship has to be unfolded; now it has to be deduced from the principles, to make visible what was already there at the outset, and there can never be anything that wasn't there at the outset. So, there is this logical necessity, and now these concepts begin to be put into external relation with each other.

The way this external relationship manifests is that what were previously seen as "simplifying assumptions" will now begin to be dismantled. Progress is made in this process of unraveling concepts, which will then be related, until a representation of the concrete object upon which action will be taken is complete. And then, this knowledge is attained, and the action has been organized on this basis and is ready to act not ideally, but *actually* upon the object, and action is taken. Knowledge is always the organization of action; the individual who is knowing is always in the process of triggering their action. And knowledge is always knowledge of the object in relation to one's own subjectivity; therefore, it is knowledge of one's own subjectivity. But what happens to this logical representation (which we will assume has been made consistently, with the corresponding tautological character) and its operation as an organizer of action?

This representation is based on separating what is repeated from what is not. And what is repeated could only be confronted because it had already been done. And the problem, the contradiction that arises, is that action will always act upon the potential of the object and the subject that is yet to be realized. Once the action has been performed, knowledge no longer plays any role in that organization. And the problem we have here is that the organization of a future action can only be based—in this form of representation—on knowledge of the manifestations that action has had in the past, the manifestation of the relationships that exist between objects in the past. And so, what arises is the problem of… Well, yes: up until the past this was repeated in this way, but who says that in this action that is about to be unleashed, this will be repeated in the same way and always?

I'm going to give an absolutely grotesque, yet rigorous, example. I know the sun rises every morning because I've always seen it rise. Now, I don't know if it will rise tomorrow or not. I think the same thing that's been happening will happen again, but logically, I can't prove that it will rise tomorrow. I have knowledge that will help me act, but it doesn't satisfy the criteria of logical coherence. From a logical point of view, I have to refrain from saying what will happen tomorrow. The example I'm giving is grotesque, but in the concrete forms of action that one can more or less quickly observe, it's a situation that's always present. Until yesterday, I could speak; I don't know if in three minutes I'm going to have a stroke and won't be able to speak anymore. And so I say, "I am an individual who speaks." And yes, up until now I've always been able to do this, but I don't know if I'll be able to do it next time or not.

And then the problem of repetition arises. What then confronts me is the question of whether or not I acted with full knowledge of the facts. This is a problem that comes later, because I've already acted. And how does logical representation tell me to recognize whether or not I had knowledge? I have to take the result of my action and compare it—because it's only external—I have to see it in a process of comparison. If, when I do this, I can analyze the result of my action

against what I had constructed, the concept and the relationships, then I'll say that I did indeed act with full knowledge of the facts, I'll verify that the knowledge is valid. But the problem is that I've already acted, and once I've done it, it might serve to make me say, "Great, you knew the determinations well!", or it might make me beat myself up because I say, "How stupid! I didn't realize this was there..." But I've already acted, so I might say that next time this won't happen to me again. And next time, what happened to me before won't be repeated, and I'll again have the belated realization that I either acted knowingly or blindly. I thought I had knowledge of the facts based on an apparent understanding, which stopped at a superficial appearance. So, the verification is too late and doesn't help me plan my actions, because I have the same problem; the outcome might not be the same next time.

Within the very realm of logical representation, a problem arises that is linked to representation itself. This problem stems from the fact that, since representation is based on what is repeated or not, I cannot verify the construct we call a theory—whether it will occur the next time or not. Therefore, the argument emerges that theories are logically unverifiable. I have no way of knowing if theories will be valid because I have to wait for them to occur. And once it has occurred, I can make an external comparison of how this presented itself, but when it happens again, I don't know if it will be repeated or not. This is exemplified by Hume's famous expression: if I have the theory that all swans are white, I can see all the white swans I want without knowing if they are all white, and it only takes seeing a black swan for my theory to be falsified. Thus, it appears that theories cannot be verified, but they can be falsified, proven false: it is enough to have a single instance that does not repeat itself. The contrast is remarkable when this approach begins to appear, how it changes from the development of positivism to the questioning of that objective knowledge, but I'll leave it at that and move on.

Faced with the argument of falsifying theories, the idea arises that I have a theory that being white is an attribute of the swan, and therefore, if a black swan appears, it's not a swan, but some other animal. Consequently, what develops is that there's no way to either verify *or falsify theories.* And to this, several other issues are added. Mathematics, which is supposed to be based, or was based, on logic, there's an individual (I don't remember if it was in 1908) who says: mathematics has... I don't know if it was 11 or 18 theoretical problems left to solve. After that, there's nothing more in the field of mathematics to discover. And just a few years later...

Alejandro: Wasn't it Popper who brought up the idea of the swans?

JIC: It comes from Hume. It's remarkable that Comte can't understand what Hume is saying, because it's the moment when logical representation is going to lead to full objective knowledge. Popper is the one who brings this to the discussion and to the conclusion that theories cannot be verified.

Then this appears, and just a few years later, Russell poses his paradox, which is roughly as follows. In mathematics, it is posited that there are proper and improper sets. Proper sets contain themselves, and improper sets do not. So, the

set of all proper sets is a proper set that contains itself. But what is the set of all sets that do not contain themselves? Because if it is improper, it cannot contain itself, but if it is proper, it also cannot contain itself. And this will produce a whole transformation in mathematics, which goes from being founded on logic to being founded on axioms. And while logical principles can be shown but not proven, axioms depend on individual subjectivity: there are axioms that I like, that I accept, and others that I do not accept. Thus, a series of mathematical systems emerge depending on whether an axiom is accepted or not.

But the premise of the axiom is that it's self-evident. So, how is the consistency of this construction maintained? The argument will be made that it's maintained because the axioms have to be well-formed. And then someone named Skolem comes along [240]and says: but this leads to another paradox. How do I know that this set of axioms is well-formed? Because I have an axiom that says this set is well-formed. But how do I know that that axiom is well-formed? And I have to construct a finite system of axioms based on an infinity of axioms; I have this contradiction. And this will continue to develop.

Skolem 's paradox; mathematicians construct them without a second thought, forgetting their inherent logical inconsistency. Then along comes Gödel, who demonstrates that any system of axioms, if consistent, is incomplete, and if complete, contains a contradiction, making it inconsistent. He argues that, therefore, every axiomatic system carries this condition. Then another mathematician (whose name escapes me [241]) argues that there is no general way to determine whether an axiom is consistent (and therefore incomplete) or inconsistent (and therefore complete).

And then, it's remarkable how in books on formal logic, what used to be logical principles are erased, as if to say, "Well, there are *other* principles"; and the construction becomes axiomatic, no longer the foundation of the construction. What happens with Russell's paradox? It's not a quantitative problem, but a qualitative one. The set of all sets that do not contain themselves is qualitatively different from all the sets that do contain them. So, there's a qualitative issue, when logic can't differentiate. Then there are several other things. It appears that in simple systems, the result tends toward a single value, but through very different paths: chaos theory, which shows that small initial differences can generate enormous differences in the course of development. And a few other things, but I don't want to spend much more time on this.

So, in what was once the realm of logic par excellence, all these issues arise: it's impossible to verify, impossible to falsify, no one can prove their theories… And so all that can be done—I believe it was Popper who said this—is that, since we cannot rationally prove our theories, what we must do is discuss them rationally. What does this mean? The most concise expression of this is a text by another mathematician and logician, Lakatos, who states this in an article: of course, every scientist is free to think whatever they want, but if they are going to go against the common sense of the scientific community, they had better do so in private,

[240] Thoralf Skolem.
[241]It may refer to Church and his undecidability theorem.

because if they do it in public, we already know what happens, and then that individual shouldn't be published or funded. What is the truth then? And the argument is that objective knowledge is impossible. Therefore, all knowledge will be provisionally accepted if, after rational discussion, it is considered that this is as far as knowledge can go, and that what is known up to this point is true. Now, who can say that? Individuals acting rationally, as fully free individuals, those who seek the truth: the scientific community. Therefore, what is true is what that community has agreed is true, for now. And if anyone says something that doesn't align with that common sense, they must be eliminated.

This is one side of the issue. But there will be a development that follows, which seems to be the complete opposite of the historical starting point of logical representation. And that is: *let's accept* that objective knowledge is impossible. Then it is proclaimed, as if it were an indisputable objective truth, that it is impossible to know an objective truth. If knowledge is impossible, the first thing that should be questioned is the very idea that knowledge is impossible. What will then develop is what can be summarized in the terms of "postmodernism": every attempt at objective knowledge is labeled dogmatic. And there is a further step in this, which is that since no one can know, it is said that whoever claims to know is exercising coercion over others, imposing their knowledge on them. Everything appears as a linguistic construct within thought, everything is text, and consequently, all that can be done is to interpret reality in different ways, and no one way of interpreting is more valid than the others. There is no method. This will be summarized in an expression by one of the initial figures of postmodernism, Feyerabend: as for method, anything goes. I can build whatever I want, starting from whatever comes to mind and relating it however I want. This idea of "grand narratives" arises [242]because they are all textual constructions that attempt to impose themselves on the freedom of thought of individuals.

We've already discussed the scientific community, where if you ask those selling their labor—often in quite precarious conditions—whether they consider themselves members of the working class, the answer is no. That's the expression of what is recognized as freedom, but in reality, its full content is alienation. This is unacceptable from the standpoint of logical representation. And as a concise expression of this, there's a Nobel laureate in physics who, at a certain point in his life, after receiving the prize, makes the following point. He says that physicists are concerned with time, in relation to the discussion about whether time is reversible or not, because the function used to represent time is linear; it has no beginning or end, so it could be reversed or not (which stems from looking at the form of the function used to measure it). And then this Nobel laureate, whose name was Prigogine, says: this concern we scientists have with time is the same concern Borges has with time. Consequently, his theories about time and those of physicists are equally valid; poetry and science are two forms of knowledge. Now, they organize actions in very different ways, but since everything is valid, they have the same power according to this argument.

[242]Lyotard raises this point.

And so, we encounter this transformation in the approaches to scientific knowledge. It begins by proposing that through logical representation, the world will be transformed and all real determinations objectively known—the culmination of positivism—and in postmodernism, it arrives at the negation of objective knowledge. Both starting from the same premise. What happens in practice? This is divided into two camps—this is the purpose of the fragmentation of science: those who have to operate in the field of physics (Prigogine is an exception) are completely unaware of any questioning of the foundations of scientific objectivity. And those who have to fulfill the role of asserting that objective knowledge is impossible don't bother to question the starting point of their argument and live in a separate world. One is the world of "critical" (strictly uncritical) epistemologists, and the other is that of uncritical physicists. And there is a situation in which these two approaches clashed a few years ago.

There's an American physicist, Sokal, who sent an article to a postmodern US journal, "Social Text " (because everything is textual), saying that more and more physicists were becoming convinced—I don't know if it was the universe—that the universe is a textual construct. It was a very long article, packed with quotations, and the people at the journal, including one of the most famous progressive American philosophers, had no other idea than to publish it because that's what they wanted to hear. Then, Sokal published in another journal, "Lingua Franca," saying that what he had presented was a string of incoherent nonsense, and that it also included a fake quotation from a text that doesn't exist, something that in the academic world…

So, a whole discussion ensued, where he was initially accused of acting in bad faith, but the argument was very weak. I saw it online once, because it was widely shared, on a blog or something, with someone saying that the social sciences are useless, unscientific, just a bunch of charlatans who publish anything and nothing and don't adhere to scientific rigor. And Sokal's response was: I have some friends who are social scientists, and they are very serious. So that's the only meaning social science can have for one side of the argument. Which neither side acknowledges… Because the others glorify irrationality, the inability to know objectively, but Sokal forgets that his own science can't establish its own foundations, that it has to establish a self-evident axiom. Therefore, both sides share the same fundamental weakness. One ignores it, and the other flaunts it. And so, the question we have is: Why is this form of scientific knowledge, logical representation, the form of knowledge par excellence of the entire development of the production of relative surplus value through the system of machinery?

Edgardo: I wanted to ask, regarding this, if historically there is an origin of this form of scientific knowledge, if we can refer to any specific author, text, or theory.

JIC: I would put it this way—and I should clarify that I'm not very familiar with the historical development of these things. Representation is the most basic or immediate form of objective knowledge. Religious forms of knowledge, in their historical genesis, carry with them, in their development, forms of objective knowledge based on representation, which takes on the character of a logical representation because otherwise, representation is impossible. When the seasons

begin to be understood, and it becomes possible to measure when they will occur, a representation begins to develop in the form of a religious representation, but it has an objective component: the position of the sun has been measured, how long it takes to reach a certain place… When irrigation systems are developed, there is objective knowledge that is also based on representation: I take the phenomenon as it presents itself to me and I represent it to myself with these relationships, but in that process, I mix objective relationships with fantastical ones. But even the individual who is making the vessel is doing manual work, acquiring knowledge through practice, but the individual, the form that this knowledge takes, is also a representation, and has an objective character: the potter's wheel must be turned at a certain speed, and he knows it, even if he doesn't know how much it is.

Now, the more complex the process of human life becomes, the more this knowledge needs to develop as objective knowledge. And it typically develops in societies that base their lives on large-scale irrigated agriculture. This complexity necessitates ways to objectify this objective knowledge. And so, these are the societies that develop writing, because it is necessary to give it an existence that transcends verbal objectification. And in all these societies, structures of thought begin to emerge that take on the character of a logic. In societies where commodity production develops—not for the reason Sohn-Rethel suggests, but rather the opposite—it is the very movement of commodity production that requires objective knowledge: the value of things must be known; the representation of this social relationship must begin to be objectified in gold or copper or whatever it may be…

Mathematics, by the very nature of its object, has the character of a logical representation; that is its proper domain, not that of qualitative relations. Where it is necessary to establish quantitative relations, a structure of logical representation must be constructed. Where does this development first appear recognized as an original development, separate from religious representation? Because in earlier, different modes of production, they would seem not to appear separate. It is in classical Greece where they do appear separate. The one who systematizes this entire construction is Aristotle, where in his "First Principles" [243](or something like that) he lays the foundation of logical representation and develops *formal logic,* because he focuses on the externality of forms, and arrives at the development of the syllogism, the most developed concrete form of logical representation as a construction in itself.

Then discussions arise within the logic that stems from Aristotelianism, focusing on particular aspects of that representation. I once read something about a discussion with the Thomists… If anyone is interested, they can consult Bochenski, who is one of the leading authorities on modern logic and has a book on the historical development of logic. So, Edgardo, if you look at a historian of logic, they can do this for you with many more intermediate steps. In the practice of these discussions, Aristotle always appears as the one who laid all the foundations, and everything that has come after is debated as a refinement, which are usually refinements of the way of expressing it. Aristotle expressed the syllogism in a way

[243]I believe he expounds on them in the *Metaphysics,* if not, in the *Organon* (the name under which tradition groups all his works on logic).

that is not expressed today. The simple form that one is accustomed to today—those who are more rigorous say that one has to start with "If… then…"—otherwise, it is not properly represented. And at the beginning of the 20th century, there was a surge, an explosion of logicism, of the syllogism represented with "p → q" [244].

Edgardo: Excellent. What concerns me is the content of representation within the capitalist mode of production. I understand that its content is the production of relative surplus value, but what is the difference between the logical representation of capitalist society and representation as a form of knowledge in pre-capitalist societies?

JIC: It has this point we were just discussing. Let's put it this way to avoid misunderstanding: regarding the development of the productive forces of social labor, in previous, non-capitalist modes of production, objective knowledge doesn't play the same role. What we observed was that what governs the implementation of social labor is the production of surplus value, and its most powerful form is the production of relative surplus value, and the most powerful form of this production is the development of machinery. Therefore, the development of machinery is an inherent necessity for the immediate movement of capital. And the development of machinery is based on the development of objective knowledge as such, independent of everything that isn't objective knowledge, because it's necessary to objectively control natural forces, not mediated by the subjectivity of the working individual; it's this control objectified in the machinery.

And so far, what we have is that logical representation contains these contradictions we've been seeing. Now, it has a potential for developing the capacity to control natural forces and objectify that control in machinery that seems unparalleled and limitless in historical development. In a minuscule amount of time from the perspective of human development, this production with machinery has revolutionized what it means to be human, and science, objective knowledge itself, has revolutionized itself. So, what we have to look at is where the power of logical representation as a form of relative surplus value production originates.

In Aristotle's time, it wasn't the production of relative surplus value that prevailed, but rather the extraction of surplus product, which would take the form of "surplus value" in the sense of… Not in the sense that there is a purchase of labor power: there is slave labor power, but what produces it are commodities. And Aristotle is faced with the problem that Marx identifies in Chapter I: explaining where the foundation of the exchange of equivalents comes from, and why Aristotle couldn't see it. But that's where it will appear… And later, in the development of machine-based production, this form of consciousness takes hold. What power does it have to have done this, what is its power based on? And what limitation does it have in not being able to establish the foundation of its own starting point? Because it has to accept externally that it depends on the

[244] If it is true that "p" (a proposition, a sentence that can be said to be true or false)… then, "q" is necessarily true.

subjectivity of the individuals who will develop objective knowledge, on the construction of that objective knowledge. Why does it reach the point where it denies its own power? It is objective knowledge that ends up asserting that objective knowledge is impossible. Why does this contradictory double determination encompass the proper form of scientific knowledge in the production of relative surplus value, and therefore the proper form of scientific knowledge in the capitalist mode of production as an immediate reproduction of the capitalist mode of production?

This is where the difference with respect to any previous historical form emerges: the immediate objective of social production is not the production of human beings, but rather the multiplication of this capacity to set social labor in motion. What is the fullest expression of this capacity? That the subjectivity of these individuals does not immediately intervene in the process of operating on the object of labor, but rather intervenes in the development of the capacity to understand the natural forces that will operate and to make them operate according to the ends of this human subject, thus objectifying the control of the unity of the process of social production and consumption.

It is the only society, in historical development, that can move from non-objective representation as the dominant form of knowledge to objective representation, first as the dominant form of knowledge, in fact, in the practice of knowledge, and at the same time deny that it can be objectively known. Because this dual character is what is proper to scientific knowledge of the capitalist mode of production insofar as it is always the need to transcend itself… But that is why it is difficult to say; it is not simply proper to the capitalist mode of production without further qualification, because the other knowledge, the one we are supposedly developing, is also proper to the mode of production. And neither can one simply say—I said it this way before—the production of relative surplus value, because this is what leads the capitalist mode of production toward something that, since it has not yet appeared, we are not going to answer. It will appear anyway, because it is inevitable.

Where do the powers of this form of objective knowledge come from? They come from the fact that it encompasses mathematical knowledge within its development, which has as its object… If we are saying that when we confront a concrete existence, what we see is that it is an actual existence with powers to be realized, and that therefore it will affirm itself through its own negation, when it realizes its powers it will no longer be the actual existence: it will have been transformed, and therefore, it will have negated itself as that actual existence and will be a new actual existence, but one that in turn contains powers to be realized. The problem of action is this: we look at ourselves as subjects, and we are an actual existence with powers to be realized, and we look at the object upon which we are going to act, and it doesn't matter if it is a simple inanimate object or a living subject, because from the point of view of our action, that living subject is the object of our action and contains powers to be realized.

I always use this in my in-person classes: I take a piece of chalk and break it. The chalk has the potential to be broken with enough force. Now, if I were to try to do

the same with a desk leg, which is metal, the iron has the potential to be bent, but I don't possess the power to bend it. (It once happened to me that I couldn't break the chalk and I felt like Mr. Burns: I'm finished [Laughter]). So, when an actual existence reaches its end—realizes its potential—it transforms into a different actual existence than the one it had before. But what about the magnitude of things? What happens with the determination of magnitude is that this determination reaches its end, transcends it, and the object qualitatively remains the same as it was before. Until it reaches an absolute end in its magnitude. In quantitative determination, if I go beyond the term, what lies beyond is a quantitative difference, not a qualitative one, or the only qualitative difference that the magnitude has is the quantitative difference.

I have one pencil, two pencils, three, and what I have are pencils: at the end of one pencil there is nothing more than another pencil, and the difference is that having three is not the same as having five. So, what is the content of this determination? It is an affirmation through its own negation, a transcendence of itself, which transcends itself. And so, it is an affirmation through the negation of its own negation: the negation is negated in the quantitative determination. And what happens to me is that I have differences, but when I want to look at them, they appear to me as indifference. A very crude example: I can say that this seed will affirm itself through its own negation, it will transform into a plant. I can accompany with my thoughts the movement from seed to plant. Now: I have the number 5. And I have nowhere to look to see how it becomes the number 6, and yet it is distinct from the number 6, which is a magnitude that has transcended that represented by the number 5. And consequently, what I have is a difference, but I have no way of following the movement that this difference carries. The only thing I can do is to put it in external relation to the 5 and the 6.

Let me clarify that this is a very crude example: the number 5 has no need to transcend itself and become 6. It is a quantity, and therefore indifferent, because qualitatively it is the same, a quantity, and yet I have a difference, but it presents itself to me as indifference. And so I have to use a representational structure that starts from the premise that I am representing a movement that presents itself as the negation of movement. And so I will say: I have a starting point that tells me that a quantity, the quantum, does not transcend itself, that when it reaches its end it remains this quantum. But I will leave this for later.

But then, here a representation is indeed possible, and what formal logic does is represent what is proper to quantitative determination as if it were proper to qualitative determination; it turns things upside down. It says: I'm starting with qualitative determination, with the representation of quality, and then I arrive at quantity. When in reality it's starting with what is proper to the representation of quantity, presented as if that were the quality. And then, when it arrives at quantity and recognizes it as quantity, it can only see a part of the quantity. But what logical representation cannot do is start by establishing its own point of departure.

In what I've outlined, the starting point is this idea that there is an affirmation through its own negation, which affirms itself through its own negation, and that's

why I can't accompany it in its unfolding. Therefore, the power of logical representation to govern the transformation of concrete, real forms lies in its ability to establish relationships of measurement. Concrete, real forms are represented through their relationships of measurement. It cannot explain what it measures, but it measures it with increasing precision. And then, it operates on the measurement and, indeed, transforms the quantitative difference into a qualitative one. It doesn't know what it's doing beyond knowing that if it operates on this quantity of this object, it will be qualitatively different, and hence its power to transform absolutely all the material conditions of production (to put it that way).

What is the quintessential form of this science? It is the construction of models. The term "model" comes from the term "measure." What does a model do? It generally represents an abstract form through the measurement relationship between its concrete forms. I take this, which is a manifestation of what was there, and I have the quantity of this; I take this other thing, which is another manifestation of that with its quantity. Then, I place them in an external relationship that conforms to logical principles, and I represent the result of this relationship. I represent the abstract form as the result of these measurement relationships. I don't know if that makes sense.

I'm going to take the example Hegel uses. Hegel is looking at a turning point in the development of this form of scientific knowledge: the system of machinery is fully emerging. And he writes his work—for me, his greatest— *Science of Logic* between 1812 and 1816, just as the Industrial Revolution is exploding. He had previously written *Phenomenology of Spirit,* where he is advancing what will be presented as the starting point of science in general, because for him, the science of logic is *science* itself. And what he sees at the same time is the entire development of this other form of logical representation, where he sees that it's all formal foundations; there's no development of reason behind it, but rather a formal relationship based on relationships of measurement. Then, he confronts Newton's ideas (whose development began much earlier, but the use of his discovery of gravity is in full swing).

Newton created a formula, a measurement relationship that allows us to represent the measure of gravity. But when Newton had to explain what he had discovered, he said: what happens is that there is a “force”; bodies possess forces that attract them to one another. An object falls to Earth because there is a force that attracts the object towards it. And then Hegel makes this argument… he must have resented Newton quite a bit, because he says everyone is obsessed with him. But Newton explains gravity by saying that objects fall because there is a force that attracts them. And if someone were to say that this individual goes to the city because there is a force in the city that attracts him towards it, everyone would realize that it doesn't mean anything. And he says that physics is full of these things: the description of the phenomenon is accepted as if it were the cause of the phenomenon.

When one examines Einstein's work, one criticizes Newton for the imprecision of his measurements. Newton's theory reaches a point where it becomes obsolete; it's useful for some things, but a level of precision that his formula cannot provide

becomes necessary. So, what does Einstein propose? I'll try to explain, although I don't remember it exactly: that in spacetime there is an uneven distribution of matter that curves spacetime, and that's why bodies move towards each other along the lines of that curvature. In the case of Earth, the movement of a human body is minuscule compared to the degree of curvature of spacetime caused by the Earth's mass, and that's why the force of gravity exists.

But one can put that in the same terms as Hegel, saying: if one were to explain rural-urban migrations because, due to the curvature of "social" spacetime, the population mass is unevenly distributed and concentrated in urban centers, and therefore individuals move towards urban centers... One could try to present a *paper* on this, but I don't know if it would be very successful (maybe it would). What does Einstein's formula do? It measures with greater precision. Therefore, it allows for more precise operation in transforming quantitative differences into qualitative ones. What happens to Einstein's formula? It no longer achieves the same level of measurement precision, and it becomes questionable whether, just as Einstein questioned whether a constant Newton used was truly a constant, the constant Einstein used is also questioned. So, it has this power; it is the quintessential form in this process of objectifying natural forces, etc.

It's already late, so I'll just state it: what other power does it have from the perspective of capital? This other power is revealed in the fact that objective knowledge is impossible; science cannot establish its own foundation. Therefore, philosophy must provide that foundation. Because science is powerless to establish itself. When this appears, it becomes clear that philosophy is not objective knowledge, because it is not a science. It is knowledge that springs from the subjectivity [...] of individuals who are free by nature. What happens if one questions the necessity inherent in their condition as a free individual? What one finds is that it is a form of alienation, and thus one has an objective answer regarding their condition as a free individual. If science does not establish its own foundation, it starts from the appearance of the condition of being a naturally free individual, and from there it begins: each person constructs knowledge that, because it is based on axioms, is based on subjectivity and cannot have an objective character.

Why does objective knowledge stop at logical representation? Because there can be no content that is not immediately the same as its manifestation; that is the starting point. And what one is saying here is that there is a content that is the opposite of its manifestation. What need does this form of knowledge satisfy from the point of view of capital? An ideological need: it is the negation of objective knowledge, and it satisfies this need by reducing content to form. What does capital need from individuals who possess scientific knowledge? That they never objectively question their own subjectivity. Otherwise, they would discover themselves as subjects who are free because they are alienated. Thus, logical representation is the way in which capital's ideological need is satisfied: to reproduce alienation without the possibility of the individual recognizing themselves within it. The method itself states that alienation does not exist: one is either free or alienated.

To conclude, I'll summarize it as follows. Here, one is faced with what appears to be an epistemological problem, because it concerns the method of knowledge, and what lies beneath that guise is a problem of the political action of the working class. Because if objective human knowledge is impossible, if by nature it has been exhausted in logical representation, it is impossible to organize a process of social life in which the social relationship constitutes objective knowledge of what one is… We said: consciousness is how I know myself as an individual organ of this process of social metabolism. If I cannot do this, socialism or communism is an impossible mode of production, and therefore, the capitalist mode of production is eternal. That is what is implied by the notion that scientific knowledge, by nature, takes the form of logical representation.

What happens in Marxism? It posits that all social forms are historical. We've already seen that knowledge is a social form, and the method of knowledge is the way in which we carry within our individual subjectivity the capacity to recognize ourselves as individual organs of the social metabolic process. Therefore, the scientific method is a social and historical form. What is universally accepted? That this is the natural form of scientific knowledge. But, in Marxism, it is recognized that all social forms are historical, except for the scientific method, which by its very nature takes the form of a logical representation. And this is what we continue to discuss.

[Method III. The dialectical method]

Up to this point, we had focused on the "double virtue" of logical representation. For capital, especially regarding the need of the capitalist mode of production to develop the capacity to control natural forces in order to produce relative surplus value through machinery. But, at the same time, how does it achieve this? Because every concrete form is represented as if it were an immediate assertion whose necessity is also immediately apparent, and the way to capture this manifestation of necessity is through the repetition of a certain attribute of the concrete. Since this representational structure corresponds to the representation of the relationships of measure between the different concrete forms, although it cannot explain what the underlying necessity is, what it can do is relate the different concrete forms to their abstract forms; that is to say: where a necessity that is realized in the concrete form is potential in the abstract form, it can establish a relationship of measure between them; either by measuring each concrete form before it with ever-increasing precision, by operating on the measure of that concrete, transforming it into its measure, or, through its quantitative transformation, by achieving a qualitative transformation. He cannot explain what the qualitative transformation consists of, only that what he has in front of him is a qualitatively different concrete thing.

I don't think I had considered this point in the development of the work, but all scientific developments based on logical representation have the character of structured constructions built through comparative statics. There is one thing, and next to it is this thing transformed into something else, but what cannot be represented is the transition from one to the other; there is a leap. And this leap, what logical representation manages to do is make it smaller and smaller, but there is always a leap, because it cannot keep pace with the movement of transformation. Keeping pace with it implies that what is in front of us is not inert, that it contains a need to be fulfilled, and therefore it cannot be externally linked to its concrete form realized through logical necessity.

This first virtue is accompanied by a second virtue for capital. It consists in the fact that, if nothing can move on its own, if nothing carries a potential to be realized, what appears first is that the capitalist mode of production cannot transcend itself in its own movement. All that can exist is something that comes from outside the capitalist mode of production; and, except for those constructions that delude themselves with the appearance that there is something outside (we have not yet seen all the determinations by which it becomes clear that there is no outside), then what appears is that the capitalist mode of production is eternal. And thanks to this method, the individual who employs it, the bearer of this objective knowledge, can account for every determination through a relation of measurement, but cannot account for the fact that he is an individual who is advancing in his freedom because he is aware of his determinations, because he is alienated within capital. Nothing can contain a necessity contrary to what is manifested. And this is the expression that the advance in scientific development is the development of human freedom, according to the principles of logical representation, it can never be a bearer of the reproduction of alienation.

Thus, logical representation fulfills the dual role of being both a vehicle for objective knowledge and, simultaneously, a negation of objective knowledge: an ideology. And we saw last time that the ideological expression lies in the fact that, after having glorified, throughout a period of the capitalist mode of production, the potential of logical representation to transform all real existence, the opposing development arises: objective knowledge is impossible. Therefore, the enhancement of social life cannot be governed by objective knowledge. What emerges here is that science cannot establish its own foundation; it must seek it outside of science, in philosophy, and philosophy is not objective. It is not presented as a science but as the negation of that objective knowledge. And what philosophy proposes is that knowing is the advancement of human beings in their freedom, which is free by nature, and logical representation is the natural form of objective knowledge, which, at the same time, cannot have the character of objective knowledge.

Aristides: Juan, at some point in the course you alluded to Hegel's idea that a quantitative change could lead to a qualitative change. Is this what you were referring to when you brought up this topic from the last meeting? Because what would be the problem with Hegel? That he remains at the level of abstractions instead of seeing the unfolding of the concrete? It's not clear to me whether there's a critique or if you're simply taking something from that idea.

JIC: I'm not sure if I followed you correctly on this, but I'll answer. What Hegel does in this respect is discover something that logical representation cannot establish. Logic doesn't concern itself with saying that here we make a quantitative change and it transforms into a qualitative change, but that's what that science does. For example: machinery must be developed, which will operate on transformations that have a certain scale at a given historical moment; beyond that, there's no possibility of progress. Then, Newton's development appears, which allows for a certain precision in measurement. When Newton is criticized, it's not said that he didn't understand what gravity was, but rather that he was imprecise in his measurements. Why do these kinds of approaches arise? Because if up until now it was possible to operate on a body, now it's necessary to go inside a body, to recognize quantitative differences within that body. A " supra-atomic " explanation is no longer enough; now an explanation that goes to the atom is needed, because the precision with which one can operate is not that of classical mechanics, but rather that of quantum mechanics, because now the need and the possibility of transcending the scope of the transformation of classical mechanics is appearing.

What's happening today with Einstein's theories? It starts with the need to add things, and when you look at the names they're given... This is forcing relationships that need to be overcome. I was very impressed by this; I don't even remember exactly what it is anymore, but a certain term appears: "gluons," from " *glue,*" because it says they are particles that hold other particles together. And it begins to develop a whole explanation with more and more parts to maintain unity. And the manifestation of the progress beyond the precision of measurement that Einstein's theory allows is that people start saying that things Einstein took as constants are not constant. It's the same criticism Einstein made of Newton. But up until now, considering a constant was sufficient to operate; from here on out, it

isn't. There was a time in the development of the machinery itself when the time of processes was measured in seconds, and—engineers are going to kill me for saying this—today it's not enough; we talk about *nanoseconds.* Why were seconds sufficient before? Because for the precision required, it was sufficient; today it's no longer adequate for performing the operation. I overlook a difference, and now I have to operate on that difference. So, this relates to what happens within the logical representation itself.

What would you say about Hegel? Hegel understands logical representation, what he calls "formal foundations," and he says he remains focused on the externality of the phenomenon: he gives the phenomenon itself as the foundation of the phenomenon. I think I mentioned last time that the entire structure of the *Science of Logic* —each part is divided into three, each chapter into three, each part of the chapter into another three—and there are notes where he tries to explain what he can't in those three parts, where he confronts concrete questions. And there, instead of simply stating that this is the concept that is developing… Instead of trying to conform to this construction he is making, he offers an explanation that often involves taking a specific expression, or something he proposes… Well, Kant is constantly questioning antinomies, and he asks what is happening in this reasoning.

In this development that Hegel undertakes, the inversion lies in the fact that [for him, this development] is how existence is generated; it's not that I am confronting existence, the objective, and recognizing it through my thought. Since my thought is the fullest expression of objectivity, what I am confronting springs from my thought. I don't do it very well, but that's it. And he says: what is the first thing I think about this question? The first thing is the form this has, but I can't stop there: I have to *generate* its content. And when I generate it, I have to ask myself why it has this form that I had previously known. So he goes through the whole development like this; each time he finishes a point, he says that if he looks at how far he's come, that was actually the form of something, and if he were to stop there, he couldn't advance; he has these problems and contradictions; so, he has to *give* this (not even *answering it)* a content. And then the development of the content begins.

I'm going to explain how the reading came to me. What often comes up with the question of Hegel? Well, that he constructs an idealist framework, and Marx said that it needs to be grounded in reality. But often what appears is that where it says "idea," one should put "matter." But it's clear that this isn't what's at stake with respect to Hegel. The problem I had (I'm putting it this way because otherwise my daughter will kill me, since she maintains that one person's experience is useless to others) is that I could see the abstract form, but I couldn't answer why it had the concrete form it did. It has to do with processes of formation ["universal"?] [245].

In the *Phenomenology of Spirit*—which is what Marx recognizes as the expression of Hegel that propelled him forward (later he says he reread the *Logic* before writing the *Contribution*)—Hegel starts from the immediate and abstracts

[245]Inaudible.

until he arrives precisely at *being,* at the simplest content. And I tried to read this and I said: this doesn't tell me anything, I have no problem arriving at *being,* my problem is then returning to these concrete forms. And the *Science of Logic,* precisely its structure is to start with the simplest determination and unfold the concrete forms. But it doesn't unfold them as if it's recognizing, from this simplest determination, how this concrete moves, but rather as if what it's doing is generating that concrete. So, it never occurred to me that the problem is whether he was an idealist or not. This was the question I had: how do I advance from this simplest content to these concrete forms? So, there's a point where Hegel has to explain why human thought, if it is Objectivity itself—how is it possible that knowledge has remained at the level of formal, apparent explanation? His answer, at one point, is that it's a problem of the maturity of thought. Thought must continue to recognize its objectivity, and it will do so later. And he's bitter because it hasn't done so already.

So, I return to the question of the transformation of quantitative difference into qualitative difference. What Hegel does is recognize this; he doesn't create it, but rather realizes that one can actually operate on a concrete thing that has certain qualities, and through the relations of measurement—the relationship between quality and quantity—transform its quality. And this is what will be synthesized, or crystallized, in the law of the transformation of quantity into quality. One observes this constantly and sees, in the process, a qualitative transformation that manifests itself in a quantitative transformation. But when one wants to operate on that qualitative determination, one of the points through which one can operate is through its quantity. The problem is that this action is blind to what it is transforming; it knows that it can operate in this way, but it cannot explain why it transformed the quality.

One of the things that gives one much to think about, and which I didn't consider too much because I was preoccupied with another aspect, relates to this. There's a development where chemistry comes first and then physics. And when he looks at physics, he says it's the study of the qualitative moment; it has nothing to do with mathematics. And he gets angry because he says that all of physics is studied from the point of view of the quantitative moment. And he has a very intelligent expression, because it transcends that, where he says: physics suffers in atomistic theory the same thing as political science, which believes that all social processes spring solely from the will of individuals. What he's saying is that there's a qualitative unity here, and atoms aren't the unit that forms matter; they're a differentiation within matter. But it's difficult to see exactly what that would be. One might say: modern physics can't explain what gravity is. The problem is explaining what qualitative transformation gravity is. So, regarding this, the idea of quantity as quality is a way of operating on matter that doesn't recognize quality. I don't know, Aristides, if I answered what you wanted.

Aristides: Yes, of course. He comes to terms with the problem but cannot overcome it.

JIC: What it does is invert it: what it sees as the engendering of objectivity is the form that knowledge has of an objectivity that is not engendered by thought, but

rather the other way around: thought confronts that objectivity in order to appropriate it.

In *Anti-Dühring,* Engels presents a mixture of ideas, because part of his argument is based on formal logic—which Hegel expresses in different terms, as if it were the generation of concepts—as if it were not the representation of the object. He then treats something that is a representation—which plays a role in human knowledge—as if it were inherent to dialectical knowledge. One doesn't always need dialectical knowledge: there are instinctive forms of knowledge, situations where representation is sufficient to operate. The problem is that the organization of the process of social metabolism as an organ, a subject with individual organs, is the most complex form of matter that human beings encounter. And there, representation is useless; it remains at the level of appearances that it cannot transcend.

But in *Anti-Dühring,* Engels mocks Dühring on several points that are quite clear in his argument. Regarding the transformation of quantitative difference into qualitative difference, he says that Dühring criticizes Marx for invoking this transformation when he argues that—if I remember correctly—any amount of money is insufficient to constitute capital; that a specific quantity is required, determined by the conditions at each stage of capital accumulation, and that we have observed that the required amount to function as capital is constantly increasing.

Engels elaborates on this point, and then says: after all, Dühring is right, because Napoleon maintained that one French soldier was inevitably defeated by one Mameluke, that two equaled one Mameluke… and went so far as to say that ten French soldiers inevitably defeated thirty Mamelukes. And Engels then says: all this is false, because by following this law of quantitative difference into qualitative difference, Napoleon was defeated at Waterloo (as if to say: all his arguments are invalidated). So there you have the example of how quantitative difference creates a qualitative difference. Engels looks for the qualitative difference within itself and says: at least this is a closed order, an organized collective body, whereas the Mamelukes each act on their own. Therefore, it is the qualitative difference that is in the structure of that body, but it appears expressed as if the quantitative difference creates the qualitative one.

Alejandro: Thinking about this operation—that through quantitative transformations a qualitative change will be achieved—beyond the example of the French soldiers against the Mamelukes, I was thinking about how science in general operates now, and the issue of testing came to mind as an example. When I worked at a certain company, we had to conduct a series of tests to verify that a specific automotive lighting component was suitable for extreme temperatures. It was subjected to temperature cycles from 100°C to -80°C, because the component had to continue functioning at the end of the test. If it didn't work, there was a fault that had to be detected, but that's where we realized we were operating qualitatively on the object.

JIC: That's right. And the test, in reality, is a real reproduction under controlled conditions regarding the various quantitative factors that can act on the object. The test truly reproduces the concrete, only it isolates it from the quantitative effect of certain factors. But that's the enormous power of logical representation.

Alejandro: Of course. And another point I wanted to make about what you mentioned regarding Hegel, which ultimately ends up being an idealist form of how consciousness generates itself, and I was thinking that even though the vast majority of scientific disciplines don't recognize themselves in Hegel, there's talk about this idea that when you're studying an object, what you're doing is determining it. It might simply be a matter of language, but for me it isn't, because when you want to operate, you're always talking about… when you're first getting to know it, about determining what the object is. Not about identifying the determination and then operating on it and determining it, but rather, right from the start, when you're confronting it and studying it, as a mental operation, you're determining it. That's how it appears, so to speak.

JIC: It's not simply… One finds that one has to ideally appropriate something that exists potentially. And it may be that the process of knowing that something operates not mentally, but *actually* on the object. In which case… I'll use the example of photons, which, when you look at where they are, have moved. If I have an object that, when I want to measure it, is affected by my measurement process, I have to be able to know the extent of the effect on my measurement process; it's another determination of the object I want to know. It's affecting the measurement of the object, it's transforming it. That's fine. In the process of operating ideally on the object, I actually operated, and I have to see how much I transformed it. But then that serves ideologically to say that one cannot know objectively, because when I know, I am affecting the object. But everything that appears in science, in the logical representation of the capitalist mode of production, has the dual character of being objective knowledge and its negation at the same time, and fulfilling an ideological role.

There was something left over from last time, but I thought it was related to more traditional religious conceptions, not *New Age ones.* But what's the problem with this measurement? Science can objectively measure what's called the "Big Bang" in I don't know how many thousandths of a second—I don't remember the exact magnitude—and that difference allows us to know about it, but not what happened before. What gets lost because of that difference? What gets lost is God. So science couldn't prove that God doesn't exist because we don't know what happened, and there are a lot of physicists who study these processes who have a religious perspective, arguing that since that moment can't be known, a creation from nothing could have taken place.

Science constantly satisfies these two needs of capital. Now, regarding the need for objective knowledge, I just made this point: when one examines the organization of the social metabolic process, it is the most complex form that the subject matter of human knowledge takes because it is the organization of action itself. It is far more complex than understanding how an individual organ operates within that social metabolic process. This is the difference between biology and

social science. With the caveat, Marx says, that there will come a time when there will be only one science, that of humanized nature, which is the human being knowing itself as a natural organ, in its condition as a generic being in relation to nature. So, while physics can advance and develop its models, when it is necessary to operate on the social process through measurement relationships—and all models are based on measuring what is repeated—the measurement process has always measured what happened but does not know what is potential, what this entails. Because the complexity of the social life process is so great, the measurement process is absolutely imprecise.

And that's where a kind of knowledge emerges that transcends mere measurement. Because what Marx develops in *Capital* is this kind of knowledge, which isn't centered on the unfolding of measurement relationships, but rather on the unfolding of a quality. He recognizes what that quality is and then examines what measurements it takes, what forms it assumes, and therefore what magnitudes it possesses. He doesn't say that he observes capital in its historical development and sees that it grows ever larger. What he says is: capital, which is this social relation, carries within it the need to grow ever larger *because* it needs to reproduce and multiply itself—and for that, it needs to transform itself qualitatively—meaning that quantitatively, it must grow ever larger.

So, unless you want to bring something else up, I would suggest we look back at what we did. When we started, we looked at ourselves, because we were starting from… There's been a huge quantitative transformation from then until now [Laughter]. Since there were over a hundred participants, I couldn't do what I always do in face-to-face workshops, which is to ask why they're here, what the point is, and have each person explain why they came to the *Capital workshop.* We tried to look at it, and in trying to do so, there was a misunderstanding, and the answer was distorted. What we tried to look at is what I do as a political subject.

And we were saying: what do we do, do we start with income? Do we have to change the distribution of income? And we said: one can ask oneself this and say that this is unfair, and be satisfied with the answer, and then one already knows what one has to do. Or one might say that there is an antagonistic relationship here with other subjects that I am confronting, and I have to know what to do in that confrontation. And then I can say that I have conflicting interests with them and I already know what I have to do. But for some reason, at least for those who remained here, that answer wasn't enough. Because I have to ask myself where that conflicting interest comes from.

And going back to income, I see that some people have a salary and others a profit, and since I have a salary, I have that antagonistic relationship. Or I carry with me the need to ask myself again what a salary and a profit are. And I continued down the path of profit: it's what capital produces. Again, I can stop there or ask myself what capital is. And it's a quantity of money. And I can stop there or I can ask myself again. And then I say: money serves to exchange commodities. So I have to answer myself what a commodity is. And that's when we said: this is where we start.

In fact, we explicitly go back further, because when we spoke of use-value, we were talking about a condition for human life: appropriating the environment. But when we speak of these use-values as products of labor, we ask ourselves… One is a content that was already present in this. And in reality, if we had gone back, we would have encountered the same thing we are encountering at the beginning, in this sense. Why do I have the question of *what to do* ? Because I am an actual existence bearing potentialities to be realized. If I didn't have them, if I were an abstract actual existence, an immediate affirmation, I would never have to ask myself what to do, because I am inert to transcend myself. So, when I ask myself about the simplest form of matter, I see that it is an actual existence that has potentialities to be realized, and I am a form of that realized potential, and that is why I remain an actual existence that has potentialities to be realized. What I need to answer is how I realize them, what form I give to those potentialities.

This is the first part of the knowledge process we've been undertaking, using a method that has nothing to do with logical representation. It doesn't say that we have to start by *stating* that all actual existence is pure actual existence without any need to be realized. Because if we look at ourselves, what we see is that we are not that. Therefore, if we wanted to know in the other way, we would begin by denying the first step we took. And then the question is: why would I want to know if I have no potential to be realized? Now: when we arrive at the simplest form of this specific determination of our subjectivity… we never ask ourselves about anything other than our own subjectivity, because we were asking ourselves about the content of a form, we confronted a form that was our action, our subjectivity, and we asked ourselves about the content, and about the content of the content.

When we began developing this approach, we hadn't yet arrived at concepts; what we arrived at was the commodity itself. And when we confronted it, we didn't say, "This is what the commodity is," but rather we began to examine it. And then we started asking ourselves about its necessity, what it is, and we analyzed it, noting that it has this attribute, and so on. And we continued asking ourselves what it is, not what is repeated in the commodity. To such an extent, we could have done this analysis of the commodity with just one item. If we take any commodity and ask ourselves about its necessity, we will find the same thing we have been finding.

When Marx says, in the afterword to the second edition, when he's answering about his method, "and if one is lucky enough (an expression I understand to be ironic) to have reproduced, to have properly displayed the determinations, it may always seem that one is dealing with an *a priori construction,*" why is he saying this? If I take a commodity and analyze it, I'm going to find the same thing. With this observation: if I take an object that *appears* to be a commodity but isn't, I'm not going to find the determinations of the commodity. If we had started with virgin land, which isn't a commodity, which has a price but no value, we would never have been able to discover what a commodity is, even though it appears to be the same. Why might it seem like an *a priori construction* ? Because I took a commodity that I knew was a commodity: I didn't just grab anything and say, "Oh well, it's something that has a price." I grabbed something, started looking at it, and discovered that they are products of labor. Then, once the substance of value was

discovered and that substance was unfolded in the necessary concrete form, I discovered that there are things that have the same form but not the same substance.

So, we began to unfold the potential of this simpler determination. In this case, we had discovered the substance of the commodity's value by abstracting from the form it takes. And Marx says: now we have to return to the form. And when we began to unfold it, the difference between the relative pole and the equivalent pole began to appear. And so, where there was an indistinguishable equality as an attribute, now that we begin to examine what the value in the commodity has in potential, what it begins to show us is that it affirms itself through its own negation, it transcends itself, and because the value of the two commodities is equal, it takes the concrete form of a different role in one than in the other. And we continue to observe the unfolding of that different role, and we arrive at a point where... We had started by saying that no commodity is capable of expressing the magnitude of its own value because it has to enter into an exchange relationship with another, and we arrive at money, and we have precisely a commodity that cannot express the magnitude of its own value, but can express the value of all others; it is immediately exchangeable for all others. So, what no commodity could be, we now see that the commodity that takes the place of money does have that attribute.

I'm taking this a step further. What does logical representation say? In the development process, which for logical representation is the construction of models based on starting with simple concepts, gradually raising simplifying assumptions, and then arriving at the concrete, what does it say in relation to this step? It says: if the simple model states something, and when I raise the simplifying assumptions, the complex model says the opposite or doesn't satisfy what the simple model stated, then either the simple model is false or trivial. And therefore, the simple model is invalidated: let's start again; it's wrong because it doesn't satisfy the tautological coherence that corresponds to logical representation.

We did the exact opposite. What we did was see how the concrete form is the negation of the simple form. When we get to Volume 3, that difference is the crux of the discussion surrounding the determination of values in the concrete form of production prices. Marx acknowledges that this determination exists in Volume 1, but says that at this point it cannot be explained, it cannot be shown: we must continue to examine a series of concrete forms that lead to it.

This discussion, which is one of the central themes of Marxist economics, about whether it is resolved or not, whether it can be resolved with a model of simultaneous or iterative equations, whether it can be resolved empirically, or whether it has no solution but that doesn't matter... All of this is based on looking at a process in which there is a qualitative transformation that has a specific quantitative manifestation... It is: value is quantities of labor, but its form is never quantities of labor. And this, from the point of view of logical representation, is unacceptable. Take this discussion, the full development, which ends at the beginning of Volume 3, and both those who defend Marx's development and those who criticize it say that it is invalid because the concrete model does not satisfy the postulates of the simple model, and therefore the simple model that refers to

quantities of labor is either false or trivial. One finds this within Volume 1 when moving from the substance of value to the forms of value.

Alejandro: Juan, this last point you raise seems to be made explicit when this quantitative incongruity between values and prices is mentioned, as well as the qualitative incongruity between what is a commodity and what is not, yet still has a price relative to land. It's already mentioned there, but I don't think other determining factors are explored, such as profit, which doesn't appear at that point, and therefore neither does the rate of profit.

JIC: Marx puts it this way (he answered it in a letter that…): everyone knows that commodities are not exchanged in proportion to quantities of labor in the capitalist mode of production, but in proportion to the capital advanced to produce them in relation to the time that advance lasted. But this cannot be answered up to this point; the only way to answer it is to continue following this development. All discussions about the transformation of values into prices of production, instead of following this development, attempt to reduce it to a construction of models, of measurement relationships.

Alejandro: I have another question. I've heard about arguments originating in the USSR, but now expressed in a different tone, concerning the possibility of commodity exchange without any corresponding increase in value. I won't phrase it differently because I think it will come up at the end of Volume 1 and is related to this. In my opinion, these arguments suggest a leap between Chapters III and IV, which they seize upon.

JIC: Marx, I don't recall if it was in a letter, criticizing Proudhon, he said something like: they want the production of commodities without the consequences of commodity production. But let's leave that for later. Up to Chapter III, what we have is that commodities can only be exchanged because they embody an equivalence. And when we get to Chapter III, we find that the way in which equivalence is realized, where there is no immediate unity between production and social consumption, the way in which value is realized, is through the exchange of *non-equivalents.*

In turn, a logical representation cannot accommodate this; it struggles with this situation. To the point that Ricardo, in order to resolve it, says: one must differentiate between the natural price and the market price. Ricardo states directly in the prologue that he will not concern himself with this, that what he is looking at is normality in its purest form. Neoclassical economics has resolved this, and that is why it can criticize Smith or Ricardo by saying: what is manifested in supply and demand are the preferences of consumers with their budget constraints; therefore, commodities, so to speak, are always sold "for their value" because they have no more value than what is being revealed in the exchange. And what we find is that this is the opposite of what we had at the outset, because it is the necessary form of a content that can only be realized in the form of its opposite.

In Chapter III, when we examined the functions of money, in Chapter I, when we looked at use-value, we saw that it is a process of human life, and when we saw

that it carries value, we saw that it is a process of producing use-values mediated by the production of value. This was fully realized at the beginning of Chapter III, regarding the function of money as a means of payment. When we arrived at the function of money as treasure, which stems from that of money as a means of payment—because it is sold but not bought—what emerged is that this is not a production of use-values mediated by the production of value, but rather the production of the social relation, not for the purpose of exercising it, but *as such.* When we examined the function of money as a means of payment, we saw that it is produced to produce the social relation and to place it in the context where it is exercised. And this is the production of commodities. And so we have to look at what concrete form it takes.

When we examine its concrete form (I'm going to make a complete leap), we find that to be a producer of commodities, one had to be the private owner of the means of production. And then, the concrete form is that to be a producer of commodities, one must be separate from the means of production; one must be a doubly free worker. We had that the private character of labor is fully expressed in the fact that the producer produces without cooperating with anyone. And as we progressed, still within the realm of absolute surplus value, but especially when we moved to relative surplus value, what we encountered was that from this social relation, from its qualitative necessity, developments emerged that manifested their existence in a certain magnitude, but what changed qualitatively was the nature of work: from being a simply individual activity, to being simple cooperation, to being cooperation focused entirely on the same commodity, to being differentiated cooperation in the division of manual labor, to being cooperation mediated by the development of machinery. Increasingly, what we observed was the socialization of private labor. We started with the purity of private labor, and what we gradually revealed is that it is, in reality, social labor. In the capitalist mode of production, private labor can only exist when performed by collective workers.

And if we summarize the argument we've put forward, going beyond Marx's development, and asking: what was the commodity producer in Chapter I? A free individual, private owner of their means of production, who has full control over their individual labor, but no control over the social character of their labor (they don't know if they are doing something socially useful or not), and therefore must submit their consciousness and will as a free individual to the social powers inherent in the product of their labor. What this individual knows, how this individual recognizes themselves as an individual organ of the social metabolism process, is that what they must do is produce value.

And the producer of commodities, at the point we have reached, is not a free individual, but a collective of doubly free individuals, who have full control over their collective labor, and they have full control with objective, scientific knowledge, but they lack all control over the general social character of their labor: they do not know whether they have generated a social use-value or an object devoid of social use-value. Therefore, they must submit their consciousness and will as doubly free individuals with collective power to the social power inherent

in the product of their labor. But the product of their labor is no longer simply commodities but *capital:* what they must produce is surplus value.

We didn't make any simplifying assumptions: what we did was follow the power of the commodity. What this reveals to us is this: we have been reproducing the movement of this social relation from its simplest and purest form, the simple production of commodities as the pure expression of social labor done privately and independently. And now what we face is the contradiction of private labor that is constantly being socialized, the contradiction of an alienated consciousness that now needs to be objective and at the same time reproduce itself as an alienated consciousness.

What we have done is, in my understanding, the reproduction of the concrete through thought. It is the reproduction of subjectivity itself through thought. It has reached this point, still grappling with forms abstract enough to allow for a very limited answer to the initial question. But these things now, firstly, have an antagonistic relationship not with the capitalist, but with capital itself; and secondly, this antagonistic relationship doesn't arise from nothing, but from the movement of this social relationship. We have already seen the class struggle, the antagonistic relationship between the universal capitalist and the universal worker, the relationship of citizenship as a relationship of solidarity between classes, the state as the political representative of the total capital of society, and we have even seen how the antagonistic relationship between buyer and seller of labor power exists within the working class itself. So, we have the development of an enormous unfolding of our concrete subjectivity, but we still need to continue advancing.

Among the questions we can't answer at this point, because they haven't surfaced, is: why are we doing this? Why were we able to confront this in this way? Why, if general scientific knowledge says […] [246], were we able to confront it? And here, one can come up with two answers at this stage […] [247]The first is that we're a bunch of clever, very intelligent, very shrewd people, and that everyone else is stupid and doesn't realize what we do. And we would have stopped at appearances. Or we can answer: we still can't answer why. What we can answer is that we know ourselves as free subjects alienated by capital, that we are determined as historical, political subjects, with a scientific consciousness, and that all of this is a necessity of capital, and that it drives me, that as the personification of this social relation, I find myself needing to give it form.

The other answer I could give myself is that I'm a clever barbarian, and therefore I don't need to know anything else because I already have an answer for everything. But the answer is the opposite: I need to keep moving forward to be able to answer what specific need of capital I embody when I confront my own social relations, my own subjectivity, in this way […] [248]. We can confront it because we are alienated within capital; it is its very movement that takes shape in

[246]The recording cuts off.

[247]Inaudible, but it seems to clarify that the first possible answer is ironic.

[248]I have written these lines in advance; they are from a clarification below in a discussion with Javiera.

the progress we are making. We are not strangers to alienation, but rather it is its full expression. For some reason we cannot yet account for, capital needs to deny alienation and produce a consciousness that recognizes itself as alienated, and that advances in its freedom through this. Why this need of capital? And that is what lies ahead for us. I don't know if you would like to propose anything.

Javiera: Does capital need to deny alienation, and does its opposite, on the other hand, need to produce subjects who are aware of alienation?

JIC: It's that when one recognizes oneself as alienated, one is denying one's alienation. Instead of having a fetishistic consciousness, I have a consciousness that knows it is alienated, therefore I can operate by being aware of my own determinations. And this is the basis on which I can say that this is a necessity of capital and not a necessity of mine. It's not that it arose in me because this is the opposite of capital, but rather that it is a necessity of capital, which carries this contradiction. And for something I can't answer… I can't answer two things: why it falls to me to personify it, and why capital has a need to deny itself.

Javiera: And lastly, why? Why does she have this need to deny it, where does this question come from?

JIC: Because I question my own subjectivity and say: I'm confronted with this. What I see is this; I can't explain why capital has this need. I can ask myself why it has the need to annihilate itself, or the question is: where is this headed? It's the socialization of private labor, and this is the culmination of the capitalist mode of production. If private social labor is specifically characteristic of the capitalist mode of production, and is the negation of social labor as such, why does the capitalist mode of production engender an ever-increasing socialization of private labor? It's negating the private nature of labor. Where is this headed? I have to find it in this contradiction: if private labor is socialized, it's destroying itself, and yet this is how the private organization of social labor reproduces itself; it's not an external negation. But at the same time, internally, private labor is increasingly losing the attributes of private labor. [...]

Ivan: Why does capital need us to be able to directly observe this social relationship and the form that alienated consciousness takes in such a remote place in the global accumulation of capital? Why doesn't it happen where capital socializes private labor more, in Europe, the US, or China, but rather in a more "peripheral" place like Argentina, where it would seem that capital is constantly running up against its own limits?

JIC: First, we have to answer what capital's need is to produce this form of consciousness. And, once we've done that, we can answer why it occurs in a certain form, what the specific factors are that produce individuals who need to confront this issue in the way we are doing. It can occur in one place or another.

Ivan: It's like the question arises for me... that it would seem that where capital accumulates, they speak a different language than we do, up to that point of barrier [Laughter].

JIC: Of course, once one answers that question, one must ask what is carried within that form of knowledge, that production of one's own consciousness. Why are there specific "moments" in the movement of capital that are more conducive to the development of this form of consciousness than others? I've tried to give a very general answer, but… I'll refrain. Let's continue discussing the method.

Javiera: I have a question about a very specific example you gave, about virgin land, that it appears to be a commodity… What?

JIC: But that comes from Volume 3 [Laughs].

Javiera: But listen to me: you said that it might seem like commodity because it has a price.

JIC: Because it is not a commodity: it is not the product of socially necessary abstract labor materialized privately and independently.

Javiera: But when you draw a parallel that it can be a commodity, is it because having a price might make it seem like one?

JIC: The appearance it immediately presents… Let's take neoclassical economics: it's useful and scarce, that's why it has a price. And then it's like any other commodity, there's no difference because utility and scarcity are present in both virgin land and gnocchi from a friend's house. It's this appearance.

Javiera: The question I have about your example is that we didn't start from a concept; when we came to understand the commodity, we gradually unfolded its qualities. And you said, "If we had started from virgin soil, we wouldn't have been able to get there." My question is, why wouldn't we have recognized it as a commodity if we had started from that simple unit and unfolded it? In my opinion, we would have still discovered that it wasn't.

JIC: What I meant by this aspect… If we had started with virgin land, we would have said: the determination is answered by some attribute that virgin land has, which explains why it has a price. And the attribute that virgin land has that can explain the price, which is related to ten plates of gnocchi, is that both are equally useful and scarce. And we would have had to say: yes, but they don't have this attribute.

Now, why did I make that reference? Because of what Marx says about it seeming like an *a priori construction.* Where does Marx start from? From something that *is* a commodity. The problem is that at that point, one doesn't know what a commodity is: one is asking what it is. The role that the product of social labor plays here, in relation to the path one is going to take, is that one knows one is confronting it with a commodity. So he says: of course, when one later discovers that it is labor, one has already cheated, because one started with something that one already knew was a product of labor. The complete answer regarding virgin land can only come after having looked at the general rate of profit, after the

process of formation of the general rate of profit. Until one gets there, it might seem that one is dealing with an *a priori construction,* that I arbitrarily discarded virgin land, I have no explanation for why it has a price, and I chose those things that I knew had value. That is the reference Marx makes regarding this appearance.

This isn't an *a priori situation;* it started with the simplest determination and progressed through concrete forms. And the price of virgin land is one of the most concrete forms that capital takes. Only then can one fully understand it [...] [249], and then virgin land has no value, but it does indeed have a price. And even, at a certain point, one can ask why the common consciousness, or the scientific consciousness that focuses on appearances, cannot distinguish virgin land from the products of labor. Because in reality, what it will do is that if I look at it now in its concrete form, it seems to be the same thing, and the individual who stops at this and doesn't ask further questions cannot distinguish one from the other.

Alejandro: In this analytical process that Marx undertakes, at a point before presenting it in *Capital,* he grappled with the concept of virgin land, and the very unfolding of the commodity led him to omit it, right? I'm wondering about the definition of virgin land, and if it were included now, one risks being left with only an appearance.

JIC: In his development, there's a point (I don't remember the exact steps) where he... I'll explain it with the specific issue that arises for him. In the prologue to the *Contribution,* he identifies two key issues in his development: one is illegal logging, the collection of firewood. And as he progresses... for me, what he initially argues is that private interest now prevails over the state as the representative of the social interest. But as he continues, there's a point where he says: the problem isn't land ownership. Because illegal logging immediately pointed to land ownership, not capital. And the problem is capital. And so, in the process of analysis, he progresses. And there's an expression that, for me, is very clear in that process of analysis, of unfolding. Because in the process of knowledge, as we accompany a development, we have a guide, we're moving in a certain direction.

Marx presents fragments of analysis that, for me, serve to demonstrate the unity of the dialectical method. In the original investigation, one cannot simply say: I arrived at the simplest determination and now I go back, and back... and never stray from the path. When one begins to go back, one finds that the development one is undertaking does not lead to recognizing something that had been discovered in the analytical process, but rather something else. Therefore, one has to start again in the analytical process, retrace the steps to discover where it is that what one was looking at when inquiring about necessity had not actually been answered by the necessity of this.

So, in Marx's development, this is posed in relation to illegal logging. But there's a very clear example in the *Grundrisse,* which was the final draft of the *Contribution to the Social Sciences,* where he doesn't begin with value or commodities. He begins with money, arguing against a Proudhonian who proposes

[249]The recording cuts off.

replacing money with time vouchers. And it's in this development that Marx... isn't going to analyze the commodity, but he is going to begin to look at the commodity as a social relation (I think abstract labor hasn't appeared yet). And when he finishes that draft, he says: the commodity is (something like that, I don't remember exactly) a unit of use-value and value: we have to come back to this, start here. And from there, he doesn't begin by discussing money but rather the commodity as a unit of exchange/use-value.

So, that's the process of going through the analysis, the synthesis, finding the insufficiency of the analysis, that what the synthesis shows is not shown by the analysis, the need to do the analysis again, to unfold the synthesis again, until one can travel the path from the immediate concrete to the simplest concrete through analysis, and now unfold the need of that simplest concrete to the concrete from which it started, but no longer as an immediate concrete but as a known concrete.

Aristides: Regarding the afterword, where I mentioned that it might seem like a preconceived decision in the quote you brought up… Can't we consider other early texts by Marx in the same way? These days I've been thinking about the *Manifesto;* it also appears as a proposition in a way… And it brings me to this: sometimes I wonder why the last thing he ends up doing is writing *Capital,* and what method is there that isn't present in his other works. He develops his research and at one point he starts writing *Capital.*

JIC: I don't want to answer you in detail because it's one of the things I'd like to leave for the end. But very early on, he realizes what's at stake, so to speak. But he can't lay the groundwork. It's like: there, this is what I have in front of me, but we have to unfold the content that leads to this. And in my view, *Capital* is that unfolding. And when you get to the penultimate chapter, it will appear immediately. You can even draw the parallel and ask yourself what constitutes a leap forward in the development. But that's for when we get to the end. Something you can still say: in what he had discovered very early on, but whose foundation he can't lay, he lays it down in *Capital;* but you can look at that foundation and say: here you can continue further on a concrete form, which in the text of *Capital* is presented in very generic terms. [...]

[Method IV. Science, metaphysics and art][250]

[Responding to Alejandro] Well, what you're raising here is this accusation of metaphysics. […] The first thing that comes to mind, and which I think one has to consider, is that the universal consciousness inherent in the capitalist mode of production—at least from its origins to the present, and presumably for quite some time to come—is a consciousness that must deny itself the possibility of confronting its own condition as a free consciousness because it is alienated within capital. So, it's a consciousness that we saw in the development of the method, in the discussions, that will take the form of logical representation, both in terms of the method as a power of knowledge, and in terms of the method as a negation of objective knowledge. And this will be normal thought within the capitalist mode of production, at least as an expression of the need for commodity fetishism as general consciousness.

So, what will emerge is the denial of the possibility of subjecting the very starting point of logical representation to criticism. It's the appearance that something is a simple, immediate assertion, and that, therefore, nothing can have a content that isn't immediately equal to its form, even though (as I said before) it's an expression of common knowledge that appearances deceive. And yet, when we enter into the discussion regarding forms, the method of knowledge, that notion disappears. And what is said is that the starting point is the principle of identity, the principle of non-contradiction, the principle of the excluded middle. And when someone says, "Well, let's subject this to criticism," the general position is that it doesn't even occur to me that it should be subjected to criticism. And then the situation is reversed.

And regarding the assertion of the impossibility of knowing, when an individual says that objective knowledge is impossible, the first thing they should do is doubt themselves, doubt that objective knowledge is impossible. And yet, the scientific consciousness that is a product of, or sustained by, this method is willing to consider, well: this is how it is. There is a division… I think I shared my two works with you, particularly the one about the CICP and the form of political action. But there is a division of social labor, a mutilation of knowledge. On one side are those who will accept logical principles… and not even logical principles: they will accept axioms even if they clash with logical coherence, but it is accepted because it is self-evident, and then they will develop all the measurement relationships; and separate from them are those who represent the other side of that unity, those who will maintain that objective knowledge is actually impossible.

And they will both move about, each in their own sphere, without having to worry about what the other says. Each will look down on the other: one because he considers himself a serious scientist, the other because he believes he is a prisoner of his ideology and that is why he thinks he is a serious scientist when, deep down, one cannot be a serious scientist. And then, when this consciousness is confronted with the evidence of its own determination and its own contradiction (I'll put it

[250]From this point until the end of the workshop, my transcription was *assisted* by AI. The physical energy savings this entailed allowed me to fully reproduce the discussions.

simply), it ruins its life. Because it begins to have no place in the normal and general movement of social production, particularly in the social production of scientific knowledge that carries ideology.

Last time, I don't know if it was you, Alejandro, who brought up why… when I said it's not a matter of brilliance, of one being clever and the others not… but rather a necessity for capital itself to produce individuals who confront their condition as free subjects because they are alienated. At this stage of the historical development of the capitalist mode of production, that's not a general necessity, it's a very small necessity that capital has. And so, it will manifest itself in individuals who are not… Let me put it more simply: it will manifest itself as a necessity for messed-up, twisted individuals, who, while the normal individual accepts, "Okay, this is the principle, so I accept the principle and build upon it; this cannot be known objectively: okay, I accept that it cannot be known objectively… and that's it"; the possibility of developing the ability to confront one's own subjectivity with this content, which is the opposite of its form, requires individuals who do not accept that more or less immediate answer. And for an individual not to accept that, he has to be an individual… let's call him "problematic".

And yes, because that's what concrete determinations are. The capitalist mode of production produces problematic individuals all the time, everywhere, because since one carries this contradiction, one is always confronting oneself. Since one has to bring forth from one's appearance of being an absolutely free individual one's absolute social interdependence, consciousness (as we saw at the beginning) carries this determination, and consequently, it generally produces individuals who carry a contradiction. Now, that this contradiction also takes the form of confronting and questioning the necessity of that contradiction, up to this point, is a very clearly limited necessity. Later, when we progress further, we can return to this question of how messed up one has to be, and in what concrete forms that messed up is manifested.

But then, the individuals who are… That's normal consciousness, that's the general form of scientific knowledge. When they are confronted with this, which doesn't question its method abstractly, but rather what one is as a subject, it seems impossible to accept, unbearable. So the way of responding is: there can't be any other scientific knowledge because by nature objective knowledge has the form of a logical representation. And any claim that this isn't the natural form of that knowledge must be unscientific and metaphysical. In reality, what is metaphysical is to say that every real form is not an actual existence that has potentialities to realize. And yet, to deny this, that is metaphysics. Because if I look at myself, I recognize myself as the bearer of that determination: I am an actual existence that has potentialities to realize, that I have to realize continually, and that I have to govern that realization because those potentialities are the reproduction of myself as a concrete form. "Inanimate" objects carry potentialities to be realized, but they are not the subjects of the realization of those potentialities because they do not reproduce them as concrete forms; what they do is destroy them as concrete forms.

Well, this is inevitable. I was just reading a text that was sent to me by an Argentinian who has returned to Marxism after his youth, now that he's retired, and he goes so far as to change the term " substantial" in the text... He quotes Marx, who posits the reproduction of the concrete through thought, as the *reconstruction* of the concrete. But reproduction and reconstruction are not the same thing. The term reconstruction implies bringing together elements that are separate, while reproduction is accompanying the unfolding of the real process with thought. And then, even while quoting that, he says that Marx's method is a hypothetical-deductive method, where he starts with the simplest categories and then raises simplifying assumptions. And you think: you've just read what Marx recognizes as specific to his method... And he automatically turns it into a logical representation.

I think I said it last time: every Marxist will say without a doubt that every social form is historical, and one says: the form of knowledge is a social form. It is the way in which the relationship between the individual organs of the social metabolic process is established; it is the way in which one comes to know oneself as such an organ. And the ways in which this organization is carried out have a historical character, and therefore the method of knowledge is historical. Furthermore, one looks around and scientific knowledge didn't originate three million years ago, one million years ago, or even 15,000 years ago: it arose very recently in the historical development of humankind. And for those individuals who say that every social form is historical, what must immediately be constructed is a logical representation, that the hypothetical-deductive method is proper to logical representation, and what Marx does is a logical representation, which is natural and when one presents this development it happens... Imagine that I have heard this type of argument that you put there, Alejandro, and what they answer you... Nothing, they see it that way, they cannot overcome that character, that naturalization of the scientific method.

The order, in concrete development, as I understand it, is not that one first confronts the scientific method and makes this naturalization, but rather that one first confronts one's own subjectivity as a free individual because one is alienated by capital, and that's when one says: but then the method of this knowledge doesn't have this form, it has this other form. So, this is what is to be expected. It is the opposite of philosophy; it is objective knowledge, logical representation can only be founded in philosophy, outside of itself. What we have here is knowledge that is confronting itself with its own determinations. Well, this is the answer: metaphysics is reducing the concrete to an immediate affirmation; that is metaphysical. The ideological use is to present that as the physical and the questioning of that immediate affirmation as the metaphysical.

That's why I never start with the method, saying: well, the method we're going to use here isn't that of logical representation. It's only when we start moving forward that I say: well, but here there's a contrast with logical representation; we didn't do what logical representation does, we did something else. Why? What's the scope? Nothing. Let's keep going, looking, first asking ourselves about the necessity of necessity, and then unfolding that necessity in its concrete, necessary form. Because if you present it from the outset to normal, general consciousness, the responses are: "well, but that's another logical representation," or "that's

metaphysical." And so, the way to appropriate it is by unfolding it yourself, by confronting the necessity of unfolding it yourself. Once it's unfolded, you look at it again and say: well, but this is a different form from the other; I run into the problem that objective knowledge is impossible because all I can do is put things in external relation to each other because I can't accept that there's an inherent necessity in things. But if I recognize that things carry a potentiality, then I immediately have to say: well, what I have to do is look at how the development of that necessity manifests itself, not introduce an external necessity that forces a link between things that are incapable of linking.

[…] This is the other side of the accusation of being a determinist, because denying the existence of determination is something else entirely. It is *self-evident* that one is determined—to use ironically the terms employed by logical representation. If one were not a determined subject, a bearer of necessities, then nothing, one could not even ask what one is, because one is determined to ask what one is. If I am not a bearer of potentialities, and those potentialities do not have a necessity, then I cannot even ask about myself. First, if I think that I have no potentialities, I would neither have to ask about my potentialities, nor could I ask, because at the moment I am asking myself, what I am realizing is a potentiality that I had in the previous moment (to make this abstract separation). In the previous moment, I had, as it were, pure potentiality; I could ask about my determinations. Now that I am asking about my determinations, it means that there was a potentiality to be realized that I am realizing. And so, there is the need to resort to the reduction of determination, to the simple immediate affirmation, to the appearance of the simple immediate affirmation.

So, to say that there is determination is then conceived as: well, there is nothing more than this… —which corresponds to the logical representation— …there is nothing more than this immediate determination, this immediate necessity. And when one answers: no, this is possibility, this is the general form of determination. It is a necessity that exists potentially, along with other potential necessities that are incompatible with each other as being realized simultaneously. Well, that is the general form of determination. And freedom is the capacity to govern these determinations consciously, by knowing them. But I say, one is confronted with what is considered normal consciousness in the capitalist mode of production today, so it is to be expected that one will be treated as abnormal. Yes, Alejandro, you had asked the second question, but you preferred to leave it unanswered.

Alejandro: […] Well, it's present in what you mentioned at the end, but in general it corresponds to the whole path we followed in the workshop. That is, we began by questioning our subjectivity within the capitalist mode of production, not in the abstract, but as a form of our political action. And in that process of questioning, we found that the most immediate thing is the commodity, as the simplest form of the capitalist mode of production that determines our subjectivity, so to speak. And at that starting point, which when we began seemed arbitrary, now appears to us as the necessary starting point, right? However, at a certain point, the need arose not to stop there, but rather, when we asked ourselves what the commodity is meant to resolve, we found that it is the concrete historical form of governing the process of human metabolism. And by questioning that process,

we arrived at the generic human being, at social labor as a conscious vital process regarding the appropriation of the environment. Appropriation that is not static, but rather, well, it progresses with the development of the productive forces. And at that point we find that the generic human being is nothing more than a particular form of existence in nature, in which all that potential to consciously transform the rest of it is materialized, right?

And so we continue, and ultimately, at some point—I don't know if it appeared, but anyway—this question of materiality, that, in the final analysis, determination itself is matter. And to try to wrap things up, my question is: with what we know so far, that the capitalist mode of production is an alienated form that governs human life, which in turn is a form of existence of nature, if we take the reverse path, it generates an appearance that natural existence itself is contained within the capitalist mode of production. I don't know if this appearance is further fueled by the fact that we are already facing the result, right? With all the mediations vanished over time, or materially present as vestiges. And I'm not entirely clear on this, which is why I asked the question. I don't know if it's a matter of distinguishing potentiality in realization from its actual existence, as realized potential, in which the form of possibility must be mediated, as you just said, or if there is an additional issue that arises from this same immanent relationship that must be considered.

JIC: I lost you at one point, because I'm not quite grasping what you're trying to say. You got to the point where you said (I'm not sure if that was the right wording): but it appears as if the opposite, that the capitalist mode of production would be...

Alejandro: I'm going to explain where the question comes from and what it's related to. If you take the reverse path, that is, when you go back to human existence as a natural process, and you go through the whole unfolding, it creates the appearance that, well, since the capitalist mode of production is a way of governing human life, it's as if the existence of the capitalist mode of production is already contained within nature itself. And I also came across this in a text by Marx, which presents it, not in these terms, but it does say that what appears to be produced by labor, that it takes nature and transforms it, well, labor is also nature. I think it was in the *Critique of the Gotha Programme,* and it caught my attention; it's as if this appearance is present. I don't know if I'm explaining myself clearly now.

JIC: […] Let's see if I understood at least the first part. You say: well, the capitalist mode of production is a "form" of nature. Except that when we look at it… Human existence is a natural process, and we distinguish what is proper to the human life process, because human beings assert themselves as historical subjects who transform the rest of nature into a means for themselves—that which is within their reach, of course. So, what do we need to distinguish? The historical character, the condition of the human being as a historical subject. So, everything that is actually *a natural form* proper to human beings as historical subjects is what we will call "social forms." Naturalization consists precisely of attributing to human beings the same conditions, the same attributes that any other form of

existence in nature has, and therefore, considering that everything in human life is explained by the condition of being a subject of nature. And the inversion of that is attributing to other processes of nature the conditions for the reproduction of the human life process. I don't know if that's clear.

So, first and foremost, all the processes of human life are a form of existence of nature. But […] as a historical subject, we differentiate them with a generic process in relation to species, the specific differences of the processes of nature as social processes, as social forms. Now, social forms are all forms of nature. I don't know if this is clear. We cannot reduce them to forms of nature and make them undifferentiated, but at the same time they are forms of nature. What we are doing here is a natural process, a whole movement: we are breathing, we are emitting sounds, we are maintaining our body temperature… Thought is an electrochemical process, it is a natural process, but it is a form of nature that is unique to human subjectivity, to the condition of the human being as a historical subject, as a generic subject that produces itself. So, we cannot reduce it to a simple form of nature, but we have to look at it in this generic condition, and in that condition we give it the name of social form, social relation, social process, but it is a form of existence of nature. I don't know if this is clear.

In nature, at the beginning—I don't know if it's 15 billion years ago, which is considered the Earth's origin—it's clear that at that moment the capitalist mode of production didn't exist as a concrete force. And it didn't exist 2,000 years ago either. What existed were the forces that would give rise to modes of production, which are concrete forms of the forces that existed—let's go back further—15,000 years ago. These forces, in turn, would have the potential to generate other modes of production that are not the capitalist mode of production. These other modes of production, in turn, would have the potential to generate the capitalist mode of production, a potential inherent to them—a potential that didn't exist in the previous mode of production. Time is a determinant of matter. And so, matter develops. At a certain point in this temporal attribute, the concrete potential to generate this doesn't exist. There is a concrete potential to bring forth those things it brings forth, which in turn have potentialities, and this is the development of that transformation. I don't know if this answers your question, and I don't know if this is actually relevant to your question.

Alejandro: Yes, there were two questions, it's just that I was confusing them into one and well, I think asking the question helped clarify things a bit and well, thanks for your answer, for not being so clear.

JIC: No, but that's not the point; it has nothing to do with acknowledgments. It's this process in which we are producing ourselves as social beings. I don't know if there's anything else you'd like to add regarding the method, regarding these things…

Aristides: Regarding what was just before, the previous conversation, it remains there for me… […] this thing that in your work you put as the "Marxist logic" or well, the method of Marxism, right?

JIC: Yes. I mean, I'm not going to lump all of Marxism into a single category because they see themselves differently, but they do appeal to the method of logical representation, yes, that's it... The very name says it's a representation of what another individual has produced. They take what the other individual has produced and represent it to themselves. That's why it's called "Marxism." And in reality, the discussions within Marxism all revolve around whether I'm interpreting Marx correctly; the discussions are: I'm interpreting him correctly, and others aren't. But the method they use is logical representation. Yes, but tell me, excuse me...

Aristides: No, no, it's fine. I feel re-identified with this because I studied and grappled with issues related to the development of the class struggle, and there's a whole current within Marxism, and all these debates, right? But, let's say, starting with some of Lenin's texts, where he begins by analyzing confrontations and class struggle and the general strike in Moscow, and also in texts by Gramsci and Luxemburg, there's a whole current here in Argentina at CICSO [251], where I received a lot of training in those works. And I was researching, bringing my experience with me—I remember this—developing that... let's say, in principle, of "field study," where information is gathered and added, analyzing the confrontations as units of analysis... using the classic methodology taught at the university, that is, with a hypothesis and looking for observable phenomena.

And there came a point where you'd analyze a confrontation in a given period, and you couldn't say much more than that. It was like reaching a limit where you couldn't say much more than: well, here's a group that's all unemployed, and here's a group that's students, and... You'd run into a certain limit, and I remember arguing with colleagues: well, but we have to say that these are actually working class or talk about what class fractions they are. And it bothered us, it bothered me, we can't know from here, it's like I was confronted by this. And, well, apparently that's where I started to have a crisis with all these tendencies, but I remember that these conceptions also raised the question of the objectivity of the social sciences, and they opposed academia, even reformism and ... even more Marxist... also on the academic level, labeling them as subjectivists. And this question arose of the need for objective knowledge and, by analyzing the confrontations, how to deduce an objective strategy beyond the subjectivity of the working class, of the subjects involved in political action, etc.

The question is: what would the critique be? While I see the obstacle from a methodological perspective, what would the...? I mean, because even Marx was invoked, as in this famous phrase, well, "they don't know it, but they do it," it's as if some aspects of this objectivity are recovered, but it remains there, as if one can never advance on where all that subjectivity springs from.

JIC: Okay, I'm not sure if I followed you. There are two points you were making. First, I'll take this: in the world of scientists who "produce knowledge" (I'm not sure how to phrase it), if you go to the world of physicists, to take that example, Prigogine, Nobel Prize winner in Physics, came along questioning objectivity; but

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for ordinary physicists, this whole discussion is completely foreign: you have a hypothesis, you make the observations (in the case of physicists, they do the experiments), and that's objective knowledge. And if a postmodernist sits next to you, they're a charlatan. What they're going to argue is that it serves an ideological purpose. The argument there is: well, but you looked at this based on what has been repeated. What has been repeated is already in the past. Second point: what has been repeated is normality (to put it in immediate terms), and you don't know if what will happen next is normality or not. Therefore, the argument that one cannot claim to have objective knowledge through logical representation should be admitted by someone who uses logical representation, although no one who considers themselves a serious scientist will admit it.

Regarding the strategy… It's a bit complicated for me to discuss, because it's a discussion my brother and I decided many years ago that we weren't going to continue having in order to maintain our good fraternal relationship [Laughter]. But this is it. The arguments about the strategy of the working class […], the question is, why is this thing that appears as strategy determined? Why did they opt for *this* or *that?* What does it express regarding the movement in the process of capital accumulation in that sphere we're looking at? Why were they confronted with this issue? Actually, what I think they're ultimately looking for is to find that there's a strategy that isn't "institutionalization" or something like that, I don't remember if that's the term. And we've had this discussion because my brother often asks me if the two approaches are complementary. My answer is: they're not complementary. He's kind of saying: I look at concrete things, and you're looking at the general movement. And they are not complementary because if one were to say that one wants to unite the two things, one would have no choice but to unite them externally.

Because here we have an assertion of a consciousness that doesn't stem from what I'm saying about why that consciousness has the form it does. But well, this was one of the aspects of the discussion for Lenin, for Luxemburg … In general, they say: it's a representation and it's objective knowledge. They get confused, I think partly, as if saying: it doesn't stem from my subjectivity. But in reality, when they're cornered, what they say is: well, but ultimately there's subjectivity because you can't verify the truth of the theory; nor can you falsify it, so everyone chooses which path to take because their subjectivity leads them to take one path and not another. And from a logical point of view, the criticism that a part of logical representation makes of itself is unobjectionable. And it's made only for ideological purposes, not to overcome itself. Because when that criticism appears, what doesn't appear at the same time is: if this method has this problem, then we have to overcome it. And the answer to this whole argument is the opposite: it's insurmountable because it's natural, and so all we can do is discuss it objectively, and the truth is determined by the scientific community, because they are the ones who seek the truth, etc. The second point has just escaped me; what was it in your argument?

Aristides: It was there in your answer. I just didn't know how to put it into words, but it was along those lines.

JIC: Because the image of strategy is an abstractly free consciousness. One that chooses and that...

Aristides: Of course, because framed that way, it appears as something objective since it's neither in what I say I do, nor in materiality, in the movement of capital, but rather it's external to the subject. So it has an appearance of being objective… this is what Marx called "objectivity," Marxism says. But ultimately, it's also something constructed.

JIC: I can summarize it with something that, again, appeals to the personal, but that somehow encapsulates this issue. Both my brother and I come from a generation with different... Aside from having experienced the same initial situation with different paths to disagreement, it's a generation where we know a lot of people who were revolutionaries and more Marxist than Marx himself, so to speak, and who are now the complete opposite: columnists for La Nación, national deputies for the Republicans of who-knows-what party... and we don't even discuss it anymore. At one time, the discussion would be: "Did you see so-and-so?" And then my brother's reaction to so-and-so would be: "That's a traitor." And my argument would be: "That's an expression of the determinations of the capital accumulation process in Argentina..." He never really understood what he was looking at.

A specific case: he gave workshops on *Capital* at CICSO, and today he's a member of the National Academy (I think) of Economic Sciences, or History, and he was an advisor to all the Radical governments… And I attended that workshop, too. So, when we talk about that guy, this comes up. My brother says: "He had things figured out, he's a traitor, because before, he didn't understand, and he did it consciously." My point is that he never understood what was in front of him; it was simply the expression of each moment. At that time, workshops on *Capital* were required, and the individual gave the workshops on *Capital.* And then, what had to be done to reproduce himself as a certain social subject (my brother and I sometimes agree on this) was this, and he did it because this is who he is. He's my political enemy now: I don't see him as a traitor, I see him as a political enemy.

But that somehow sums it up: we have to look for the determining factors or start from the appearance, from the fact that there is objective knowledge that this individual possessed and rejected in order to occupy a position… whatever it may be. From his point of view, that individual can be *judged.* From my point of view, one has to explain why that individual was what he was, but to do so, one has to explain what the society of which that individual is an individual organ was, and why he then underwent the transformations he did. But well [Laughter], don't make me say things that would be recorded and that I'll later regret, but I must acknowledge that, not consciously on his part, I owe my way of seeing things in part to him. But well, that's it. Let's move on. Is there anything else with all this? If not, let's move on to the section on wages as the price of labor.

Aristides: Excuse me, Juan, but I have something more to say about the method. At some point in these recent meetings, my colleagues, I think Alejandro, and I had talked about individuals who, being engineers, for example, with a background in

logical representation, also lived with or expressed another form of representation, such as religious. So, from that perspective, what I think, as a music teacher, is that I'm currently immersed in that environment of artistic representation… But you spoke of, let's say, "unconscious" artistic representation in primitive communities, with the theme of expressions in drawings, on stones, and in cave paintings as a form of representation. But then we see that this, as a form of representation, develops and continues in society. And obviously, all artistic expression as a form of representation survives to this day. There are many expressions that have become commodities in art in general, and thinking about music, for example, rock and commercial pop, which started in England and began to internationalize, where music as a commodity began to have a global orientation. This happened primarily with British rock and later with American rock, as in that process where music clearly became a commodity, beyond what music meant to John Lennon, Paul McCartney, or the producers or consumers of that commodity. Beyond that, it is clearly a commodity, due to what is called the music industry.

But beyond or before that, what I see is how the method of formal logic, how it appropriates that, or how it values it, how it produces that commodity, looking, for example, at musical theory, the academic musical language, which is basically like an inheritance from classical music, right? From that, tonal language remains, and that theoretical construct is also used for musical teaching, for musical training and reproduction in schools and musical institutions worldwide, and well, the method of music from that moment on is already that language. What I think, and what I ask, is: it continues to be a language, a logical construct, and therefore it will also have certain limitations in being able to reproduce reality and to account for the concrete and for certain movements and processes of the concrete.

I think about some issues that arise for me as a musician and educator when I observe certain phenomena of musical folklore, which stem from the specific practice I associate with the development of the craft and the study of an instrument. These expressions, like tango or rumba, demonstrate a development passed down from generation to generation, an oral transmission of all that skill—in this sense, I speak of craft—and I see how logical thinking sometimes struggles to transmit or explain it. For example, teaching tango in schools presents obstacles and a sense of impossibility. I'm not entirely clear on how to convey it or how to move forward, but I see this difficulty. So, the question I raise is whether this difficulty and impossibility of accounting for the unity of the life process in general, the human metabolism, on the part of logical thought, also extends to other areas or representations, in this case, artistic representation. That's perhaps a profoundly artistic question.

JIC: Yes, I don't know if I'll be able to answer you. Because there you have to look... different things come to mind, but I don't know if they relate to what you're suggesting. Perhaps what you mentioned last, about teaching and learning, seemed more accessible to me, but I don't know if what I'm going to say has anything to do with it or not.

There are several things. First, artistic representation, as I understand it, doesn't aim to be objective. On the contrary, it arises from the pure subjectivity of the

individual. This subjectivity is social, and therefore it will produce a multitude of viewpoints depending on the tools available for representation, the level of development of material production in general, which corresponds to the capacity to produce specific "sound objects." But I understand that the very condition of being a performer implies that it is an activity… Beyond creation, musical interpretation is mediated by the subjectivity of the individual performing it. Furthermore, it has the character—and I believe to a large extent it does—of manual labor, because ultimately one is playing, or blowing, or whatever, and manual labor is very difficult to teach; the only way to learn manual labor is by doing it.

Because someone might be given a general explanation like: well, you blow here, you have to press here, there… and nobody can tell me: you have to apply, I don't know, 15 “grams” of force to this spot, press, and with practice you'll realize how much pressure to apply. So, right off the bat, I understand that teaching has this difficulty, of a manual activity that is, on the other hand, very complex. Because simultaneously you have to be making a lot of movements, also with a rhythm, with a… So acquiring all the… And also, it's assumed that one doesn't just play one piece, but is capable of playing a number of pieces, which means one has to absorb that subjectivity, the ability to transform, whether by reading or by ear, what was in front of them into the appropriate sound. So, on one hand, I think there's this.

On the other hand, there's what I don't know if I should call it, the "quantitative character" of music, because at its core it's a quantitative problem, in the sense of whole notes, half notes, quarter notes, eighth notes, sixteenth notes, thirty-second notes, and sixty-fourth notes: it's a matter of measuring the duration of sound. And then that can be objectified, in the sense that I have a piece that tells me: I have to give it this duration. Then it's always mediated by the subject's activity, who can say: well, this duration, yes, it's more than half of this one, but I consider this one to be this long… If I remember correctly, my useless attempts to learn to play the piano [Laughter], of which not even traces remain: the whole note doesn't have a fixed duration; there's supposedly a canon that says it has more or less that duration, but then… So there's a whole… And there's even a vibration of the air, which has a certain quantity, and when writing the piece, I can standardize the amount of vibration that will be produced.

So, I suppose the difficulty of teaching lies in having to reconcile this dual nature of knowledge: it's objective and quantitative, but it can only be accessed, can only be carried out, so to speak, through the subjectivity of the individual who is representing something to themselves… Because *it is a form of knowledge.* Any artistic expression is a way of representing the concrete thing in front of one, and every process in which one is representing the concrete thing in front of oneself, and upon which one is going to operate, is in coming to know that concrete thing. Then one has more powerful forms of knowledge for a certain action, or it can be argued that there are others more powerful for other forms of action, but it is clear that they are all forms of knowledge. Perhaps the problem you raise about the difficulty of structuring and transmitting it is linked to this dual condition, because if you have to teach engineering to another individual, you're also influenced by the other individual's subjectivity, but… To put it this way: the Pythagorean

theorem is the same for everyone, so you can't do it faster, slower, with more or less force. It's the Pythagorean theorem, and you'll reproduce it with objective purity. I don't know if this answers what you were asking, if it has to do with the difficulties of producing knowledge that has certain attributes and, in addition to intervention, initially there was another issue, which is its commodity form.

Now, music has taken the form of a commodity, if you will, or something like that… From listening to the minstrels, the vessel in the transition of feudal society, to the composers who had patrons, there too appears a relationship of personal dependence, but one that is mediated by money; to a large extent, it has the character of a commodity. There is an aspect that is interesting for the workshop, but which didn't appear before. There was a workshop where there was a visual artist, and this appeared very early in Volume 1: the mercantile character of artistic production and the determination of the value of the artistic product by the socially necessary abstract labor time. But when one looks at it in the development of the capitalist mode of production, it is now quite clear that this commodity is not simply paid for its value, but rather it is a commodity that belongs to the exceptional producer. Because the mass of musicians, of visual artists, are lucky if they manage to sell their wares for anything resembling the value of those wares; they are lucky if they sell their labor power for its value.

But it's clear that this type of product, where the subjectivity of the performer or author comes into play, fulfills an ideological role in the capitalist mode of production: to produce—in very broad terms—an identification with the miracle that this exceptional individual possesses, who is exceptional by nature because they have a subjective attribute that others lack, and which serves to shift the focus from questioning one's own misery in the conditions of selling one's labor power (it's the same as with football players) to worrying about the life of the individual. And in the capitalist mode of production, differentiation takes the form of having or not having access to the general social bond, and so these individuals come to have access to masses of the general social bond that have nothing to do with the value of the commodity they produce and sell. […] And I don't know about music, because perhaps it doesn't lend itself to it as much, but what this visual artist was suggesting is that it serves to launder money very effectively. But of course, the work of the visual artist has an objectified existence that isn't exactly the same, something that can be treasured, whereas music...

Alejandro: Are you referring to a painting that has two colors painted on it and you sell it for one or two million pesos?

JIC: Not only that one, but a Van Gogh painting sold for $100 million to be locked in a safe. So, it's a mix of hoarding with… And did they pay the $100 million? What happened in that case? The specific case was that of Botero, a Colombian painter who was supposedly very highly valued—I don't remember which cartel in Colombia. This comes up, which is the same with soccer players: what's the real transfer fee, who keeps what's nominally there… Every business in the capitalist mode of production can be used for speculation and for the manipulation of that general social relationship beyond its simple content.

Aristides: And one more small point, also related to what Alejandro was talking about. When we looked at cooperation, manufacturing, and large-scale industry, it struck me, and I was directly confronted with the manufacturing aspect of music production, in contrast, for example, to the visual artist, where it's *a single individual*—although there are more collective expressions—but in general, music, by its very nature—except for some expressions by troubadours or isolated individuals—but generally worldwide, historically, it's a collective expression. And it's not cooperation because… I don't know if I'd call it "work," but from what we've been reading… I don't know if it's exactly that, but clearly there's a craft or a development, a differentiated skill: not all musicians play the same instruments; rather, the assembly of each instrument and each musical line produces a unity that is the result, the final product is what is heard, recorded, or performed, but it's a single entity. In that sense, I saw it as a manufacturing process.

JIC: It is a process of differentiated cooperation, like manufacturing, not simple cooperation which is undifferentiated.

Aristides: And in the case of sports, let's say, in that sense as well?

JIC: Professional sports?

Alejandro: There are many sports, too; athletics isn't the same as football. In athletics, something similar happens to what happens with a visual artist: they're absorbed in themselves, and it's a matter of... ultimately, they're the ones who create the time. Then, in football, this idea of differentiated cooperation comes into play.

JIC: Yes, it depends on the type of productive activity, the sporting event, to put it in the strictest terms. Well, I don't know if there's anything else.

Alejandro: The class ended with questions.

JIC: Well, but it's very interesting.

Alejandro: What I wanted to ask Arístides was if he had any thoughts regarding the development of the artificial intelligence that's driving this process. For example, it takes a line of text, inputs it, and generates a box linked to that line of text, which can range from two words to an entire poem; and it also produces musical pieces. I don't know if there's anything to consider there.

Aristides: I understand it would be like an instance of incorporating machinery where human labor would become the defining attribute, but I don't know more than that. I always remember a reference by Marx in the introduction, in the *Fundamental Elements*[252], I think, where he refers to art in Greece and quotes some texts, especially from literary art, from Homer, I believe; but it's a literary form, let's say, from Greece where he says: this won't be repeated, the conditions

[252]The *Grundrisse.*

that gave rise to that work won't be repeated, which doesn't mean we can't enjoy them, something like that.

JIC: Yes, “like when you look at yourself as a child” or something like that.

Aristides: Exactly, yes. In that same text that talks about the monkey and man, the reference you once cited…

JIC: About anatomy…

Aristides: He raises that point and nothing more than that. But it's good because, in a way, it presents me with an artistic approach that's yet to be explored.

JIC: Well, I don't know if it makes much sense to try and start with the section on...

Alejandro: That's it, we'll have to start from scratch next time.

JIC: Yes, to connect the dots, because otherwise it's going to end up hanging in the air. It seems like the most sensible thing to do.

Alejandro: In what's left, we could do a recap of the last few chapters. I don't know, let's say, I understand that it's so we can come back and pick things up again.

JIC: The thing is, this chapter… (Sorry, it's not a chapter, it's a section, if I remember correctly, four or five very short chapters)… doesn't simply emerge from the previous development. We look at absolute surplus value, and from absolute surplus value one can say that relative surplus value flows, the form of cooperation, the division of labor, manufacturing, machinery, etc. And here's what will appear… Because there, one is also advancing on the concrete forms. And these chapters, this section, will have a basically analytical character, where a question appears that did not arise from the previous discussion, but which is necessary, and one can even say this: it is an aspect that will not even play a role (at risk, but with little time, I hope not to say something absurd), that when one looks at what follows in the development of Volume 1, this will not in itself play a role in that development, but it is something that will reappear in Volume 3 in particular, with a whole significance of why the value of labor power does not appear as the value of labor power.

In Volume 1, the worker's consciousness in the process of their own reproduction will play a role, which is the next section, explaining why the worker cannot see themselves as… how the exploitation of the worker by capital cannot be made manifest in general, something that already appeared in the development. And it appeared with absolute surplus value, and in reality, this discussion of wages as the price of labor could have followed the development of absolute surplus value, except that it addresses what happens to labor productivity in relation to wages, with forms of wages. And since labor productivity was not yet deployed in absolute surplus value, the shift to labor productivity would have implied a leap. Moreover, what Marx immediately states when he begins is: the

reality is that what one is going to look at here would have to do with the specific study of wages and their forms (as if to say that it does not correspond to the general development). And then he says: but here what we are going to look at are the more general determinations.

So, there's going to be a leap in the sense that we're going to say: the last thing we looked at was the possibility of the worker being replaced by machinery in the development of capital, of not finding a buyer. We saw what happens to the worker, manufacturing as the last refuge, what happens with the development of machinery in agricultural production, and so on. And this is a unit, so to speak, in itself, where things related to agricultural labor will appear, about national differences that we aren't looking at in the development itself. So there isn't a break... Well, then, the last thing we saw in the general development was this issue of the working class becoming the subject in charge of organizing the capital production process with a scientific consciousness, which isn't in the development that Marx makes in *Capital.* So, nothing... As a recap, I got sidetracked...

Alejandro: Okay, it appears as a kind of clarification, a parenthesis.

JIC: It's something that needs to be said, but it pertains to the forms, not the content, although it will appear in the development of the forms: this form is what allows the worker to be overexploited by extending the working day, it hides the exploitation... But it's the reference to this form... It's the same thing that happens when you start looking at relative surplus value (it's not the same, but it's as if the structure of development plays a similar role). When you look at relative surplus value, you say: you have to look at the form, this is the content, the increase in the productivity of the workers' labor that directly or indirectly produces the means of subsistence for the workers. But in order to be able to unfold this, you have to look at the form, you have to look at competition, but only to look at it, to have this in mind. The structure is similar to: this is this, we need to stop because it is not as simple as we have been suggesting, because the form that the change in the value of labor power takes through the appearance that what is sold is labor and that what is paid is the price of labor, has been hidden.

And for me, one more thing is important that is not displayed in *The Capital,* which is... I think I said it last time: the productive power of labor that produces the means of subsistence, etc., increases, the value of labor power decreases, and consequently, the price of that labor power should decrease for the worker. The price is a quantity of money; it should be a smaller quantity of money. Well, why is it that if decreases in nominal wages may have appeared at some historical period, in the concrete historical movement, these decreases in nominal wages disappear? To the point that in the case of Argentina, the decrease in nominal wages is formally, legally, prohibited. How then does this process occur in which the value of labor power decreases, and consequently, the worker's nominal wage must decrease? And that's what I wanted to add in the discussion. But later we're going to look at what follows in reproduction; and in reproduction, what will actually be at stake are determinations that... we'll talk about the value of labor power, about what happens to the value of labor power.

§6. THE SALARY

Chapter XVII. Transformation of the value (or, where applicable, the price) of labor power into wages.

Well, basically, in the previous chapters, before we delved into the question of method and so on, particularly in the chapter on the relationships between the value of labor power, the length of the working day, and the productive capacity of labor, we were seeing how these factors appeared in quantitative terms, and consequently, we were looking at the external manifestations of the forms that the process of capital valorization takes. But we still need to take another step regarding this externality, and this relates to the form that the value of labor power takes, which doesn't appear as the value of labor power itself, but rather as the price of labor.

And then Marx will refer to what appears, for example, in Ricardo, which is the natural price *of labor.* His argument is that speaking of the price of labor is a contradiction—so to speak—in terms, because labor is the substance and the immanent measure of value. But value is labor materialized in a commodity, represented by this attribute of exchangeability that the commodity possesses, and labor is not the product of labor. Labor is productive action, not a materialization of labor, and consequently, speaking of the value of labor is absurd with respect to the determinations of value; it is an empty expression.

He's going to make a reference to the value of land, saying that virgin land, free from improvements, is not the product of labor, and consequently has no value. But what will appear with this expression of the price or value of labor? It's the concrete form in which the content of those concrete forms is presented to the subjects of this social life process, and that content appears inverted. And here he makes that reference to economics, where he says that in almost all sciences, it's known that things often manifest themselves in a form inverse to what they actually are. And the only science that ignores this is economics. When we talk about method and discuss it, we didn't specifically delve into so-called natural science, but that's where Hegel makes strong criticisms of physics—we've already discussed this—saying that it gives as the reason for the phenomenon what is the very manifestation of the phenomenon.

And then, we encounter the expression of how the value of labor power is presented as the value of labor. And what will appear in this is that the division of the workday between a part where there is necessary labor and a part where there is surplus labor, or excess labor, is erased, as is the evidence that there is a paid and an unpaid part. In the form of wages, the price of labor, it will appear that all labor is paid. Here, some people make an observation saying: well, labor is never paid because what is paid for is labor power. But when one is looking at how this movement manifests itself, as if what is paid for were labor itself, then the expression that there is paid labor and unpaid labor is obscured and valid. And Marx will contrast this with what happens with forms of labor prior to wage labor

and will refer to this. All the labor of the slave appears to be labor… Not unpaid, because the labor of the slave is neither paid nor unpaid, but it appears that the slave only works for his master. And yet, under the guise of the price of labor, it appears that the worker works all the time for himself. And so, obscured by these two figures, is the fact that the slave works part of the day for himself, since he has to produce his own means of subsistence, and that the wage laborer works part of the day for the capitalist, working for free.

And what will emerge as a necessary determination… That is to say: from here will arise the need to represent all the wage laborer's working time as paid working time, because this corresponds to the legal status of the worker as a free individual. And so it is a necessity of this mode of production that it remain hidden that the worker works part of the day without receiving an equivalent, that he sells his labor power for the equivalent, but that this equivalent includes a part of the day for which the worker receives nothing in return. All of this has to remain hidden behind the appearance that all the worker's work as a free individual is for himself. Did anyone want to raise any points?

Alejandro: I'm Juan. This need of the capitalist mode of production to conceal this division between necessary and surplus labor is manifested in the fact that when one goes to collect their salary, it doesn't appear specifically as the sale of labor power, but rather as payment for a workday of so many hours, as if one were being paid for the work one is actually doing there.

JIC: Exactly. There, Marx observes that classical economics was almost on the verge of discovering it. And when you look at Marx's own development, it's a "late" discovery. But when Marx gives his lecture that's published as *Wages, Price and Profit,* he still speaks not of the worker selling his labor power, but of him selling his labor. And only then—and this is from... I don't remember the exact year.

Alejandro: 1865, isn't it?

JIC: I get the impression that it must be earlier than the publication of *The capital.*

Alejandro: Just when I was about to edit it, right? The first one.

JIC: It might be from 1865, that's why it's late. And then, sometimes in modern editions of that lecture, they've added the bit about the value of labor power. But even Marx himself clearly struggled to distinguish where that came from, despite the fact that what determines what the worker receives was quite clear. Unpaid labor was mentioned, but the expression "the sale of labor" was still present.

Alejandro [Chat]: A curious aspect of that text is that it makes no distinction between the private and independent nature of the work that produces commodities.

JIC: Marx had already developed the idea of the private nature of labor. Because that idea appears, although he expands upon it and enriches it, in *Capital,* even

developing it further from one edition to the next; it already appeared in the *Contribution.* And in reality, the idea that the problem, that the substance, is private labor, not private property, as he had been developing it until then, is quite a bit earlier. In any case, I don't have that text in mind; I did have in mind this issue of not yet distinguishing between labor power and labor.

I always point out the following at this juncture, which relates to the question of method and what we've been discussing. It is this: if this is a necessary form of the process of buying and selling labor power, the appearance of the price of labor, why are we confronting this appearance? And the answer is that, up to this point, the need to confront it hasn't yet arisen. Up to this point, we remain in a situation where we can't account for why the capitalist mode of production—if this is the necessary form of its reproduction—needs to produce a consciousness that confronts the apparent nature of this necessary form. But anyway, I'll just mention it here.

So, what we have is this form that outwardly obscures, in its manifestation, the characteristic that is proper to the capitalist mode of production, which is the gratuitous appropriation of the labor of others. And when we confront the value of labor power in the form of wages, the price of labor, we find ourselves back again… Yes, when we first confront capital, we confront it in its movement within circulation (Chapter IV), it starts with that and confronts us with the need to account for the elements—so to speak—that enter into that movement within circulation, what the value of labor power is, how the worker is a seller of labor power. And it ends by revealing that we are in the realm of the appearances of circulation and that we needed to enter into production to answer our questions about its content.

We entered into production, we continued moving into the production of absolute surplus value, into the production of relative surplus value, […] we came to know commodities not as mere products of labor, but as products of capital, products of labor that is alienated in capital. And consequently, when we looked at circulation, capital appeared as a mass of money, therefore as a mass of value, which had the capacity to multiply itself, and it did not reveal in circulation where its capacity to valorize itself sprang from, therefore, a value that begets more value without any qualitative differentiation. When we began to examine what happens in production, we saw the difference between variable capital, which is the only capital capable of producing surplus value, and constant capital, a condition for labor to begin but inert from the standpoint of surplus value production. At the same time, we saw the development of a contradiction: constant capital, incapable of producing surplus value on its own, needed to grow faster than variable capital when it was invested in raw materials because it increased labor productivity. We saw that constant capital needed to grow at the expense of variable capital when we considered the production of relative surplus value as a condition for increased labor productivity. We saw all these distinctions. Now we return to capital as it appears in circulation: here, the difference between paid and unpaid labor is erased; in the form of wages, the source of surplus value is obliterated—it is a form proper to circulation. And with this in mind, we encounter the forms that wages take.

I was telling them: Marx must have known why he divided this section into several short chapters, given that he's just discussed a variety of concrete forms related to the deployment of machinery in large-scale industry; why he uses a purely formal, very different structural criterion here, and makes this separation into several short chapters. But anyway, what we need to do is look at what follows. And what will appear is that wages take different forms, there are different ways of establishing wages. And again, here he'll clarify that this actually corresponds to a specific study on wages that doesn't fit within what he's currently discussing, but that he will present the two fundamental and predominant forms of wages, he'll focus on these two forms, and the first one he'll examine is time-based wages.

Chapter XVIII. Time-Based Wages

In time-based wages, the value of labor power is divided by the length of the workday. Therefore, all work appears to be paid because the worker receives their wage based on the number of hours worked. Does anyone use the FCE edition? The old edition; I don't know if it's been corrected in the new one. Well, the old FCE edition, on page 455, says:

> [...] labor power is always sold *for a certain time.* Therefore, the transfigured form in which it presents itself," and says: " *daily,* the daily, weekly, etc. value of labor power is that of the ' *time wage* ' [...].

It doesn't have to say "daily," but rather " *directly* ": the transfigured form in which the daily weekly value of labor power is directly presented is the time wage. In Volume 1 there are relatively few of these things, in Volume 2 there are more, and Volume 3 is replete with them in the FCE edition.

What will emerge next is this: the laws governing the value of labor power now appear transformed into laws governing the price of labor, governing wages. We're talking about the form, not the content, but now the form will carry determinations inherent to the content. It won't simply be what we've seen so far, but rather the content itself will be "served" by this form, beyond what is presented here. And what will emerge is the extension of the workday into overtime hours beyond the normal workday, as a condition for receiving the value of labor power. What will emerge is why overtime work beyond the normal workday is paid at a higher rate. In the case of Argentina, I don't know if this is still the case, because all these things change... but overtime on a workday is 50% more, and on a non-workday it's 100% more than a normal hour of work. And then the salary can be set in such a way that only by working overtime will the worker receive the full value of his labor power.

The appearance is that the value of labor power is prorated over the normal workday, but in reality, it can only be fully realized with the higher pay received for extended work hours. This is because extended work hours are considered to entail an additional expenditure of labor power that is no longer proportional to the length of the workday. Since labor power has already been expended under normal conditions, extending the workday multiplies that expenditure, requiring extraordinary exertion, and therefore warrants a wage more than proportional to the extended hours. However, this can serve as a tool for the capitalist to force the worker into extended work hours simply to receive the full value of their labor power.

And the other issue that arises with time-based wages relates to the supply and demand for this labor. Because if a worker works a longer day, nothing changes: the capitalist has more labor available, but doesn't employ more workers. Here, one has to consider this dual determination: there may be a greater demand for labor when the workday is extended, and yet there isn't a greater demand for workers; it's the same worker extending their workday, not that there are more workers who will be able to sell their labor. So, this distinction arises, and it needs to be made because... I'll give a concrete example: when the transformation of

what is called the "New International Division of Labor" occurs, and production processes are withdrawn from countries with workers whose labor power was valued higher to countries with workers whose labor power was valued lower, or who are paid below the value of their labor power.

As the working hours of these workers are extended, the result may be that newly hired workers work longer hours. What can actually happen is that, at the same scale of production, there are fewer workers employed than before. I'm not sure if that explanation is clear. When European workers were replaced in the 1960s and 70s by East Asian workers, a worker who previously had a 7-8 hour workday was replaced by a worker with a 12-hour workday. Therefore, the total number of workers involved in the production process is reduced. Even if the total amount of labor available to capital remains the same, the demand for workers is lower. And that's where this determination comes in. And then, as the demand for workers decreases, competition among workers to sell their labor power intensifies, and consequently, this reduced competition lowers wages. This reduction in wages then allows capitalists to extend the workday even further. Do you understand the mechanism?

Edgardo: Yes, yes. That is, the same mass of labor power is distributed among a smaller number of workers, which intensifies competition among the workers and is a mechanism in favor of the capitalist to further extend the working day.

JIC: This further reduces the demand for workers and intensifies competition among them. And here Marx introduces a further development, an aspect not covered in our analysis, because he shifts his focus to the forms of competition. What emerges is that, from the capitalist's perspective, wages are a component of the cost price, and so the reduction in labor costs achieved through... What he argues is: the price of the commodity appears to include the price of labor as a component, and therefore, if, based on this competition among workers, the capitalist has lowered the price of labor, he argues that this reduction can be given away to the buyer. And so, this possibility of lowering the cost of labor power becomes an instrument of competition among capitalists. So, since the capitalist obtained a normal surplus value based on the lower price of labor due to competition among workers, it can happen that not only wages, but the commodities themselves become cheaper through this reduction in the cost of labor. In other words, meager wages and excessive working hours end up becoming the constant basis for competitive dynamics. And with this, we have the core of time-based wages. Then there's the second form of wage, which is piece-rate wages [253]; therefore, there are a whole series of figures: sharecroppers, tenant farmers, sharecroppers… These are all forms of time-based wages, what's called piece-rate pay. Right, Alejandro?

Alejandro: A colleague had made a comment in the chat.

[253]Title of Chapter XIX in the FCE edition. In the Siglo XXI edition it is “by piecework”.

José Luis [Chat]: What's the point of "overtime" if reducing the working day made production more efficient (I think it was mentioned in Chapter XIII)? Wouldn't that be counterproductive for the capitalist?

JIC: First, regarding the issue José Luis raises, we had this development of the need to shorten the working day due to increased intensity. But what appears here is a movement that deviates from the norm, which is why Marx refers to an "abnormal surplus value" that the capitalist is appropriating through this mechanism. So it appears as a circumstantial movement that can occur, and here it appears as sustained, as capable of being sustained, insofar as commodities are cheaper and wages are low, but it is not the general movement. Like all movements of competition, these are the forms in which the general movement is realized, but this deviates from the general movement: there is a point at which this occurs, the extension of the working day.

Overtime is set at 50% because it implicitly assumes that the wear and tear on that workforce is effectively doubled, that the consumption required to keep that workforce functioning is also doubled. So, if the workday is based on a wage that isn't sufficient for a normal workday, and 50% effectively corresponds to the additional cost the worker will incur to reproduce themselves because they worked an extra hour, the result is that the worker is selling their labor power below its value. Therefore, we are back in a situation that, under the current terms, cannot be sustained indefinitely. However, movements emerge that, within the competition among capitalists, the antagonistic relationship between capitalists and workers, and the competition among workers themselves, can develop beyond the norm.

Then, in general, these movements… It's like what we saw when, in the chapter on machinery and large-scale industry, we looked at what was happening with manual industries, where what we find is that they are based on cheap labor. If we're looking at a relatively universal workforce, this cheapness of labor means it has to be paid below its value. This workforce isn't in a position to reproduce itself normally; in the long run, capital won't be able to use this workforce anymore if we look at the movement, so to speak, in its purest form. But these are the concrete forms through which this normality is realized, in the form of significant deviations from normality. I don't know if that makes it clear.

José Luis: Yes. Thank you, Juan.

JIC: Are we going to piece-rate wages or…?

Aristides: Juan, here in what would be the competition for the sale of labor power, is the emergence of this unemployed population, this reserve army of labor, still a latent possibility? I don't remember if it had come up before, I think something was mentioned about it...

JIC: It has already appeared, but at the same time, in what we're looking at, it's not appearing with a specific role. It has already appeared that this will inevitably produce a surplus population for the needs of capital. What happens at the same

time is that this has manifested itself in a general movement of capital, because throughout the entire useful life of the machinery, less labor power will be used than would have been used for that same period if the work continued to be done manually. But in the immediate future, since the production of machinery can involve a large mass of labor power, it may be that the worker…

This is what Marx criticizes as the "theory of compensation," and what he demonstrates is: there is no compensation in unity. But what can happen is that, either because the use of machinery makes the commodity so cheap that production expands significantly, or because the workers who were working manually actually start producing the machinery… I always frame it in these terms: up to this point, what appears is the immediate possibility that the worker will become surplus for capital. In the movement, in the unity of the movement, they will become surplus, but in the immediate term, it may or may not happen. The development of the unity of the movement, already presented as an immediate movement, comes not in the following chapter, but in the next, in the process of expanded reproduction. That is where the development and forms of the surplus working population appear, and the scope of that surplus working population.

Aristides: In other words, it's a possibility, not a necessity as you suggested there.

JIC: It's a need that takes the form of a possibility when you look at it from that perspective; possibility is a form of need. It's not presented that way in *Capital.* It's stated that this is superfluous, but then it's not immediately developed what happens to those who are superfluous. Only later, when we look at reproduction, because that's where we see what happens to the worker who was working and can no longer find a buyer for their labor power because they've been displaced by machinery. But here, even that... Marx leaves it open; it's stated, but not developed. I don't know if there's anything more to it.

Alejandro: I asked in relation to the question that José Luis asked, whether it would not also be, in that way that deviates from normality with overtime, a reaffirmation of the production of absolute surplus value, as that extension of the working day beyond the normal working day.

JIC: The thing is, if a worker receives the full value of their labor power during a normal workday and then works overtime, and that overtime effectively involves an expenditure not only for the extra hour itself, but also because there is an extraordinary expenditure of labor power during that hour, then the worker is still reproducing their labor power. It's the same as with all work schedules that have limitations that deviate from the general norm, not through wages, but through night work.

In Argentina, this rule existed, but with the introduction of rotating shifts, it disappeared. However, it still applies to some specific work processes. The idea is that, since humans in their natural state sleep at night and are active during the day, night work results in an extraordinary expenditure of labor. There's a greater intensity of work, and that's why the workday, when daytime work was eight

hours, was equivalent to an eight-hour workday. I don't remember exactly, but it wasn't seven hours; it was six hours plus 20 minutes (12 minutes), or something like that. The same applies to hazardous work: it's assumed that there's an accelerated wear and tear on the workforce, and therefore the workday needs to be shorter.

Alejandro: In the case of the night shift, would it be that there is a greater intensity in the expenditure of labor power in the work process, or that labor power does not recover to go to the next day because the circadian rhythm, which would be that natural component you mentioned, does not fully occur, or rather, is deficiently performed since one ends up sleeping during the day and working at night?

JIC: It is a job that has to be counted as more intense, in less time it produces more value because there is a more intense wear and tear on the workforce.

Alejandro: I wanted to think about it more, but that statement doesn't quite convince me.

JIC: Think of it in terms of a simple commodity producer, which has nothing to do with the value of their labor power. This simple commodity producer, who can work less than other individuals, like everything abnormal, everything that deviates from the norm, has to be compensated on the value side. Just as complex labor recognizes that this individual was producing themselves for a period of time that is abnormal, longer than normal... When others are already producing commodities and selling them, already receiving the general social bond for themselves, this individual still cannot receive the general social bond because they have to learn, they have to continue in the learning process for an extraordinary amount of time.

The same thing happens here: this individual is making an extraordinary expenditure of their labor power; they need that extraordinary expenditure to be recognized. And the way to recognize that extraordinary expenditure is by producing more value in a shorter workday. So the product of their shorter working time has to compensate for that additional expenditure; there's more work involved because the labor power is being used up faster. The individual started with a normal amount of labor power, and it's as if they're working more intensely; they're using it up faster, doing the work they're capable of but in less time, in a shorter workday, and they're left with no labor power. Right?

Aristides: Right there, in the chapter on the length of the working day, Marx refers to the need for certain conditions for the reproduction of those forces, such as not being exposed to the sun, and he mentions some clinical studies on the absence of what generates labor power. And I remember that in that part he elaborates on how the capitalist actually has access to so much of the worker's labor power from the moment they begin their active life as a salesperson until they finish, and he does the whole calculation: well, let's suppose the average working life is until such and such an age, so in reality, they have all these hours at

their disposal, and from there he starts to derive it, right? Is this related to what we're discussing?

JIC: Look, I don't immediately think about calculating the value of labor power; I'd have to consider it within the context of the worker's entire working life. It can be calculated. But for the capitalist to do the calculation… no, no individual capitalist does that calculation, but that's why I don't think about it. Don't you have FCE?

Aristides: No, I have Siglo XXI. I was trying to find it, because in this chapter I understood that he was referring to that… now I can't find the paragraph.

Alexander: Chapter VIII, I believe, "Day and night work".

JIC: Ah, not in this chapter.

Aristides: In this chapter, it's presented as if we've already seen it, as if we already know this… I'm trying to find out how it's presented now, but it's simply stated as: "Well, we already saw this…", and it continues to be developed.

Alejandro: I think it's in the footnote that Aristides mentions an investigation by a doctor, a certain Dr. Strange.

JIC: Do you have the note number?

Alejandro: Yes, but the thing is, I have the 21st century version.

JIC: It doesn't matter, the note number should be...[254]

Alexander: Number 94. It would be the second paragraph of section 4, of chapter VIII. It begins by disregarding the harmful effects…

JIC: Is it the one for the workday?

Alejandro: Yes. For me, it should have a different number. It would be section 4, "day and night work," "relay system."

Aristides: Here I found the paragraph from the current chapter. It's like paragraph 10 of the chapter.

JIC: Okay, then I'll move on to the current chapter.

Aristides says: "As we already know, the daily value of labor power is calculated based on a certain duration of the worker's life, which corresponds to a certain duration of the working day." Well, yes, let's suppose the working day is 12 hours, and well…

[254]In the FCE edition (1977) it is note 62.

JIC: Well, but it's not the individual capitalist who calculates wages that way. That's the determination of the value of labor power. Now I'm lost. What did they want? I don't know, where was that thing you were talking about in the chapter…?

Aristides: I think it's in chapter eight, but I can't find it.

JIC: Ah, you're back again…

Alejandro: We're confusing you, Juan, it's not relevant. No, the reference I made to Chapter VIII, about night and day work, is about this issue of natural light not reaching the human body and the mention of the doctor, but the calculation that Aristides mentions isn't in that chapter.

JIC: The determination of the value of labor power indirectly takes into account the worker's normal useful life, but it's not that simple. In the following chapter, in the section that follows, the full determination of what the value of labor power is appears. It can't be stated as simply as saying that it has this useful life—according to what it consumes—and that it then depends on how easily capital can sustain its accumulation by replacing workers, wearing them down more quickly with a lower value of labor power, or keeping them in production longer, which may apparently imply a higher value of daily labor power. I don't know if that's clear.

So far, where it hasn't yet become clear what specifically determines how the worker reproduces himself, it's this: he needs to consume what reproduces his labor power, and if he depletes it more rapidly, he has to work less; and if he depletes it less rapidly, he has to have a ~~shorter [longer]~~ workday. But up to this point, there's a range of possibilities for capital: a worker who reproduces his labor power less efficiently has a shorter useful life but is cheaper than a worker who reproduces his life in a way that allows him to sustain his existence for longer, but who is more expensive because he needs to consume more use values to live longer.

So, we don't have an abstract calculation, independent of the movement of capital itself, stating that the worker's natural lifespan is such and such, the intensity of labor is such and such, and therefore the value of labor power is abstractly such and such. It depends on the concrete conditions of capital reproduction. One has to consider whether it can sustain its accumulation on the basis of a worker whose labor power is rapidly deteriorating but who reproduces it normally for a shorter period, or who reproduces it normally for a longer period but this means a different wage while they are active. I don't know if this is clear.

Aristides: Yes, it's understandable.

JIC: So, when you look at time-based wages, what emerges is: given the value of labor power, time-based wages result from dividing the daily value—in the simplest terms—of labor power by the length of the workday. That's why I wanted to see where I stood.

Aristides: No, I found it there. It's point 3: "English industrial sectors without legal limitations on exploitation," it's the last paragraph of this point, right before day and night work. It's chapter VIII, section three, the last paragraph. It starts with a quote.

JIC: "Working yourself to death… […]" [255]. Very good.

Alejandro: It's a reference to the accelerated wear and tear of the workforce.

JIC: Yes, but it's nothing more than that. What we're seeing here is the accelerated wear and tear of the workforce, which shortens its lifespan because it deteriorates more quickly. I don't understand what that had to do with the issue of wages.

Aristides: I thought it was related, but now that I reread it…

JIC: He says: the problem is whether or not the worker is being paid the value of their labor power, and given a certain work intensity, what workday can sustain that intensity without causing accelerated wear and tear on the individual. But I mean… Precisely, let's see if we can link this to the issue of time-based wages… What we had was that the hours paid as overtime are supposed to compensate for that extraordinary expenditure. Then the maneuver appeared, the possibility for capitalists to achieve, through overtime, an extraordinary expenditure of labor power, which, if it isn't effectively compensated for that overtime, doesn't compensate for the increased intensity of expenditure, and could lead to premature wear and tear on the workforce. But this appears as a use by the capitalist of an "instrument" that takes the form of time-based wages but doesn't correspond to the normal reproduction of labor power, nor therefore to the general unity of movement of the capitalist mode of production. This exhaustion, this manipulation of overtime so that the worker reaches… in one case, the value of their labor power, but in another case, they don't even reach the value of their labor power, considering the extraordinary effort they're making. I don't know if there's anything left unsaid about this.

Alejandro: I have a question. Since we've read that quote, and to make sure it's not just a side note, if the blacksmith's labor power is prematurely exhausted, would that correspond to a normal reproduction of his labor power, or would we be back to a matter that goes beyond normality?

JIC: The question arises of what constitutes a normal condition, a normal duration, and a normal reproduction of life with sustained and sustainable productive attributes, because this reference to 50 years appears here. Now, is the normal condition of life 50 years old, or is the normal condition of life...? I mean, how is this normal condition determined? This contributes to the complexity of determining what is normal, whether or not the value of labor power is being paid. I never looked at it that way; I have another issue to raise regarding the value of labor power and wages, which I'll address later. But what emerges here is the

[255] Page 199 in the FCE edition (1977).

question of what constitutes normality in relation to natural life. Because one could... I don't know, it would require careful consideration. I always understood it simply as: well, the worker has certain productive attributes; can they reproduce them, or can't reproduce them, or can't reproduce them continuously; has the normal development of these productive attributes been achieved? But here, "normal" means what appears to be universal, so to speak. Has he been able to fully develop them or not? And can he reproduce them normally or not?

The question you're posing is: well, he developed these attributes, he can reproduce them normally, and he lives for *x* years. If the conditions of, for example, the intensity of his work were different, could his natural lifespan be reproduced for *x* years + *y* years, or not? But that has to do with the fact that the value of labor power corresponds to a normality governed by the working conditions, from which a certain natural lifespan results. I don't know if that's clear. Can I take natural lifespan as the standard that will tell me if this is the value of labor power, or is it the other way around, that I have to consider what the concrete conditions of the development of the production process are and what attributes the capitalist, capital, demands of the worker? The worker has his attributes. Therefore, as a necessity, capital is reproducing his life by selling labor power at its value. And to those conditions corresponds a certain number of years of natural lifespan. I don't know if the difference is understood. A human being could live 100 years; if he lives 70, what happens is that he doesn't sell his labor power at its value.

Alejandro: Basically, it's about deploying all the mediations. We'll have to deploy all the mediations to show how that natural life of the worker, simply natural, is a moment in how capital is reproduced.

JIC: Yes, that's why. But when one says that one sells labor power for its value, what governs value and what governs the buying and selling of labor power is capital. And so it's not some abstract "natural life" that determines what it means to sell labor power for its value, but rather the result of concrete working conditions; that's where "natural life" comes from. And so one can say: one is not reproducing one's labor power under normal conditions if one's natural life cannot reach what is the norm, which is the general condition. The working day would have to be adjusted to exist at a higher intensity, so that one's natural life can be extended like the natural life of any other individual.

Looking at the issue, I tend to consider this condition. There isn't an abstract natural lifespan that one can say: if it isn't achieved, it's because labor power is being sold below its value; rather, there is a natural lifespan that results from the reproduction of the individual's productive attributes, and the development of the individual's productive attributes that capital requires at a given moment... Not being surplus, because that, put abstractly up to that point, could lead to: well, there is a supply of individuals, capital wears them down rapidly, and so that's the value of labor power, so that the individual, instead of living 70 years, lives 50, because, after all, capital has someone to replace them with since it has surplus labor. Leaving aside the possibility that this condition might be based on capital having surplus workers, then what constitutes a natural lifespan in the capitalist mode of production is determined by the normal movement of capital.

Edgardo: In other words, capital needs workers who live less than others because of the very productive attributes it requires from them.

JIC: No. The fact that capital makes use of workers who live shorter lives than others is linked to the surplus working population, to the sale of labor power below its value. Here, we always have normality as the expression of the movement of capital reproduction that flows within normality. So there is a normality in the intensity of work, and when one has to work at an extraordinary intensity, this normality takes the form of having to have a shorter workday. Because what is normal in the reproduction of that labor power is that it has this natural lifespan; that's what emerges. But what I want to emphasize is this: just because it has this natural lifespan doesn't mean that this is the norm.

What I'm seeing so far is that capital requires workers with certain productive attributes; these productive attributes must be developed and reproduced, and this corresponds to a certain natural lifespan. Therefore, the normal outcome is to achieve this natural lifespan because capital has demanded and consumed the labor power of that individual under conditions that equate them with any other individual who has that same natural lifespan. This then appears as the sale of labor power at its value. If capital consumes this labor power rapidly, because it consumes it more intensely, and doesn't replenish that accelerated consumption, so that the individual has a shorter natural lifespan, then we see that capital is paying for labor power below its value. This would be the determining factor.

I'm going to put it in these terms, which is somewhat... Throughout the capitalist mode of production, after there's a process of shortening lifespan, particularly for the working population, due to the lengthening of the workday and the intensity of labor, what begins to appear is an extension of natural lifespan. This is linked to a shortening of the working day and an increase in the intensity of labor. What can one see in this lengthening of the natural lifespan that implies that the worker can no longer die working? When the English working population had an average lifespan of 30 years, they either died working or were already so disabled that they couldn't work, but it's as if they died working. Why doesn't that happen today *in the general movement*?

My explanation is that the intensity of the work is such that the individual cannot sustain that intensity if they are in a natural state of life where they are going to die the day after they stop working. That intensity requires the individual to reach that point in a life process where they are not naturally exhausted. And then, when they can no longer sustain that intensity, they have a remnant of natural life that will continue to reproduce itself. That is why the need for retirement arises. Obviously, it is a need of the worker, but it stems from this need of capital to ensure that the worker's natural life is not exhausted in the immediate process of work, because on their last day of work, if the worker is going to die the next day, they are obviously not in a condition to do the work of the previous day.

So, for me, this is one of the expressions of the transformations brought about by the capitalist mode of production, where it extends natural lifespan, but in order

to extend useful life. And in reality, the worker works throughout their life longer than the one who died at 30, who had a 14-16 hour workday, but worked from age 10 to 30 and then died. The worker today, who has a life expectancy at birth of a little over 70 years, and who starts working at 20, with retirement at 65—in Argentina—works more hours for capital than that other worker did. And supposedly with a higher rate of surplus value, which means they are more exploited by capital throughout their natural life than that other worker was.

How does capital achieve this extension of natural life? What emerges is: better nutrition; shorter workdays because the intensity is higher—not only shorter workdays, but also, as we discussed previously, periods of rest, vacations, and so on—and the development of medical treatments. None of this is done by the capitalist mode of production for the benefit of humanity, much less the working class. What governs all of this is the production of the type of labor power that capital needs for its development.

What raises a question for me, regarding what I said before, is this: what should we consider “normal” given the presence of national forms, national processes of capital accumulation that are differentiated, in which the history of the workforce is also differentiated? And where a workforce already appears that comes from the surplus population, particularly the latent surplus population. Because there, capital starts by using a worker who—I always use the example of East Asia—suffered from a bowl of rice but didn't work 14 hours a day. And when it starts, it continues to pay them the price of a bowl of rice but makes them work 14 hours a day. That worker, it may seem that the value of his labor power is the bowl of rice, but what then becomes clear is that this worker cannot reproduce himself under those conditions. Consequently, it's not simply that his labor power is cheaper, but rather that capital is consuming that labor power without reproducing it under conditions that would be normal for that same labor power given its specific history. It may be that this labor power, over relatively long periods, has a lower value than that of other labor power, but its value is still much higher than the bowl of rice. And, in fact, when one looks at what has been happening in Southeast Asia, it is clear that wages are no longer at the levels of a European industrial worker's wage (to take a homogeneous example), or of a unionized American industrial worker, but that there has been a substantial change in what a wage is in those countries to the point (I think we were talking about this the other day) that capital is leaving China to look for cheaper labor because the labor of the Chinese worker already has a value, or a price, so to speak, that capital can obtain cheaper labor in another national space.

So these are all questions where it's very difficult to be definitive about how... what governs the sale of labor power, so clearly what... not what governs it, but what constitutes the sale of labor power at its value, because it's clear that if people worked fewer hours in general, their natural lifespan would likely be longer. We've seen the development of intellectual labor; intellectual labor is very intense. It seems like nothing is being done, it doesn't seem like work, but it's very intense. And so, the question is whether, with that intensity, a shorter workday wouldn't result in a longer natural lifespan. But we come back to the previous point: it's the movement of capital that determines what is normal, and in the capitalist mode of

production, natural life is subject to the movement of capital. And so, it seems like a trap, where it says: well, labor power is being sold at its value, but in reality, this individual could live longer if they worked fewer hours and received the same income; so does that imply that they were being paid below value?

I repeat: my answer so far is that value is determined by the movement of capital, natural life is determined by the movement of capital. That individual, who experiences the wear and tear imposed by capital, if they reproduce themselves using the productive attributes demanded by capital and develop those productive attributes, is selling their labor power for its value. Then one has to look at all the mediating factors that appear to be the value of labor power but actually stem from the condition of a population deemed surplus by capital. Did anyone want to add anything?

Aristides: And also, as you say, the fact that capital needs that labor force under certain qualitative conditions also comes into play, and it needs it at a certain speed, in a certain timeframe, is sometimes different. In other words, it may not be achieved immediately, and it takes time to shorten or lengthen the levels, the duration of the worker's life, to achieve certain qualitative conditions that they didn't have before. And that also implies a movement.

JIC: Yes, yes, that's why it's about achieving productive attributes, being able to develop them, and being able to maintain them. But when you look at it more closely, what determines when you can no longer maintain them is linked to when capital says it can no longer sustain them. When it can no longer sustain that intensity of labor… it's a question I don't recall ever considering in these terms. I always took it more simply: it's the value of labor power, or it isn't. Here this additional complication arises. Well, I don't know if there's anything more to it or if we should move on. Let's talk about piece-rate wages.

Chapter XIX. Piece-rate payment

In piece-rate wages, even though the difference between paid and unpaid labor time was lost in time-based wages, the relationship with labor time disappears entirely. The piece-rate wage becomes directly linked to the total output of the workday, which has no fixed duration but is open to the worker continuing to work as long as possible. What emerges is that the determination of piece-rate wages actually encompasses, or is based on, time-based wages. What is determined is the total output that can be produced in a workday, and the value of the labor power corresponding to that workday is divided by the number of pieces that can be made. And so, there is no longer any proportion between… it appears as if (it is expressed in these terms) that the value of the piece is not measured by the labor time embodied in it, but rather the labor invested by the worker is measured by the number of pieces produced. And here again, what will emerge is how this form of wage operates in the process of surplus value production. And here the contrast between time-based wages and piece-rate wages will appear, along with the advantages it offers the capitalist.

And what will appear as advantages of piecework, from the capitalist perspective, is that… Let me put it this way, changing the order slightly. We saw that the use of machinery regulates the pace of work. Consequently, piecework is not immediately appropriate for work with machinery, because the pace of production doesn't depend on the worker's will. In machine work, it also appears that the quality of the work, which is reflected in the quality of the product, depends largely on the machine's capabilities. Therefore, these forms of wages are particularly suited to manual labor, where the capitalist doesn't have to exert control over the worker regarding the quality of the work: the worker imposes it upon themselves, because if it's not done according to what the capitalist considers it should be, they aren't paid. And so this appears with this double… "movement." This system allows the capitalist to control the quality of the worker's output, beyond simply having to monitor it directly, and to cheat the worker by telling them that their work isn't of sufficient quality and therefore they won't be paid their wages, or won't be paid in full. For this reason, it's a form of wage that lends itself particularly well to home-based work, where the worker is forced to monitor the quality of their work as a condition for receiving their pay.

The other condition of piecework, or piece-rate wages, from capital's point of view, is that the worker is forced to intensify their labor because the more units they produce throughout the day, the higher their wages will be. So, while a worker paid by time needs to be monitored to prevent them from wasting time—capital has to coerce them to avoid downtime—with piecework, the worker is the one who coerces themselves, because any downtime immediately affects their wages. And so, the capitalist is freed from fulfilling these two functions of controlling the quality and intensity of the worker's labor. Right, Alejandro?

Alejandro: I was thinking that this form of piecework, considering how it manifests itself today, has an added layer of complexity. Because it corresponds to the development of a technology that means the capitalist doesn't directly provide

the means of production, but it could correspond to the case of, I don't know, Uber Eats or Uber, where the worker is paid for each order delivered.

JIC: That's a form of piece-rate wages which—let me put it this way—has the structure of what used to be called home-based work. Except this isn't at home; it's on the street. But in home-based work, the worker typically doesn't provide the raw materials, but they do provide the machinery or tools. There is home-based work with machinery: sewing is a home-based job where the sewing machine belongs to the worker, not the capitalist. And here, when someone takes online university courses, the tools belong to the worker, not to the capitalist who bought their labor power, which is the university. Historically, the same thing happens with programmers: today, a lot of programming work is piece-rate: you get paid for the product, regardless of how much time it takes, and the worker provides the production equipment they'll use and the operating expenses to run that equipment and carry out the work process.

In Argentina, piece-rate wages, even beyond dressmaking, were once common. Today, the textile industry, understood as fabric production, is manufactured in factories; but the production of classic wool fabrics remains largely a cottage industry with machinery. At one time in Argentina, there were many advertisements for making floor cloths, and later for making stuffed animals or similar items, all based on piece-rate wages. But where piece-rate wages were very prevalent, and where they tend to disappear due to technological development, was in agricultural production. In agricultural production, piece-rate wages allow the capitalist to be absent, and quality control in many of these agricultural products is carried out by the industrial plant that receives the product; the price is determined by quality, and the piece-rate wage is a portion of the product's value. In dairy farming, workers are paid for the equivalent of a certain number of liters delivered, but the price per liter depends on the milk's fat content and, now, on the amount of bacteria it contains. Therefore, the worker is responsible for the quality of the product because their wages are directly linked to that quality, even though no one forces them to do so.

There are different ways to coerce Uber, but there were ways in which the sharecropping system existed [256], where the worker contributes a portion of the capital, the sharecropper contributes a portion of the means of production, and the capitalist contributes another portion, and the wage is based on a *fixed amount.* So, in Argentine agricultural production, there were sharecroppers, in dairy farming, tenant farmers, sharecroppers, vineyard contractors… All of these were forms of piece-rate wages. With the development of mechanization, many of these processes transitioned to time-based wages. But harvesters still receive piece-rate wages, especially where the harvest is done manually; the wage is based on *a fixed amount.*

What you were saying about modern forms, the problem that arises with wages, is that they don't work where the pace of production and the quality of the product are determined by the machine. And the more automated the machine, the more

[256] https://es.wikipedia.org/wiki/Aparcer%C3%ADa .

independent the worker's will becomes in terms of the intensity and quality of their work. So, where the machine system prevails, in large-scale industry, what we see are combinations of time-based wages with so-called "production bonuses," which are essentially wages. Furthermore, since it's a collective effort, it's not possible to clearly identify what each individual produced, but the production bonus compels workers to increase their work intensity, because otherwise they lose the bonus. It's a form of wage, but it can no longer be the primary form of wage in large-scale industry where production is heavily automated.

Alejandro: But this advance in the mechanization of the production process, which creates conditions that don't allow for a "deviation" from quality—that this deviation from quality isn't governed by the worker's hand, to put it simply—doesn't it also renew the need for other forms of work, like the one I mentioned? It's as if it's changing.

JIC: But here we have to look at two things. Salary doesn't fit in that place.

Alejandro: No, of course, where the machine is inserted.

JIC: Where do these other forms of home-based work (to use a metaphor) come from? It's not in the factory. It's the equivalent of what has historically been home-based work, with one more thing: it's work with a machine, usually, but it has the characteristics of manual labor. I don't know if that makes sense. The tool isn't in the worker's hands, but in Rappi [257], in Uber, the worker is sitting on top of their tool. And it has the conditions and attributes of manual labor (until they make self-driving cars).

Alejandro: The Teslas are coming.

JIC: But so far, it's a process where the worker's subjectivity influences the quality and speed of production. Outside the realm of collective work—because these are also work processes that have the character of individual work—they are individual workers engaged in a simple cooperative process. It has the character of competition that arises among the workers in this simple cooperative process: if this one works faster than me, they won't buy my labor power, they'll buy it from this one, so I'll work faster, pedal faster than the other one, and be nicer than the other one, and that way they'll buy it from me and not from that other one. So it has all those conditions.

Now, all this work arises largely because the surplus working population is multiplying. It doesn't emerge in the abstract at a time of enormous demand for labor that capital can't find a way to satisfy; it arises in contexts where the surplus working population has multiplied, and it's clearly a form of work for individuals who aren't selling their labor power at its value. So, one also has to consider whether this isn't what's at play in the resurgence of these forms of wage labor. Not that this is resurfacing in the system of large-scale industry, but rather that it's resurfacing because the system of large-scale industry has produced a mass of

[257]Food delivery app: https://es.wikipedia.org/wiki/Rappi

surplus population that can only sell its labor power under precarious conditions, and this precarious form is piece-rate wages, even when the worker provides the means of production instead of the capitalist.

So we'd have to look at that. And one more thing: now there's a form of work that didn't exist before, which is this programmed work where the worker provides their own means of production, and it's more debatable whether they're really workers, since they're simply surplus labor. In any case, we have to consider that much of this labor comes from India, from Argentina, where there's a surplus working population, and so this wage seems enormously high compared to the situation in their respective countries, but it's incredibly cheap from the perspective of capital if it didn't have to pay for labor from its own national sphere. Then all these complexities arise.

Alejandro: Now it's clearer to me. My question now is whether the emergence of this piecework system is directly linked to the increase in the surplus working population, but also whether the way in which this labor force is employed, in motion, in practice, implies that it is mediated by technological development. This ability to use an *app,* and that application, which are virtual tools on *smartphones,* allows the capitalist to dispense with that means of production, right?

JIC: Yes. I think it's because there's a surplus of workers; otherwise, they couldn't do without that means of production. It would be much cheaper for Uber to buy cars for a fleet than for each individual working for Uber to buy a car from a dealership. The total cost of the cars would be much lower for Uber than it is with this structure. However, it's precisely because there's a surplus of workers that they can force those workers to put their means of production at Uber's service.

Alejandro: Sure, if your car breaks down it doesn't matter, let's say.

JIC: That's why we should see if, having to pay Uber for the labor force at its value, it wouldn't be cheaper for them to buy the cars and have the drivers.

Alejandro: That's clear to me. What I meant was that this technological development appears as a mediating factor, not that…

JIC: Technological development facilitates this operation. But if you look at it in relation to cars, taxis [258]were the primitive form of this structure, and taxi companies always worked with surplus working-class people, at least in Argentina. You had a much more limited tool, which was the telephone, but ultimately it's the same structure: the car belongs to the taxi driver, and he receives a salary under the guise of actually paying a commission to the taxi company.

Alejandro: This form of piecework also lends itself particularly to an ideological form of consciousness, doesn't it? So that the person driving the Uber doesn't recognize their status as a worker.

[258] https://es.wikipedia.org/wiki/Rem%C3%ADs

JIC: Yes, it serves to sharpen the competition between those workers and that the worker does not recognize himself in his condition as such, that he identifies himself as if he were a capitalist of himself, or that it does not even occur to him that there is a worker and a capitalist, that he is an independent producer of commodities.

Let's stop here. Next Wednesday we'll finish with wages and start—I mean, I suppose—with reproduction, with the accumulation of capital. That little bit that doesn't have a chapter or anything, it's like a subheading to the section, and then we'll move on to simple reproduction.

[II]

So, we were *dealing* with the issue of wages. What we had basically seen was that all relation to time is lost there. It has the advantage for the capitalist that the worker coerces himself in terms of work intensity, and I think we were still missing what comes next. And in terms of the length of the workday, the longer he works, the higher his wage because he will be adding more pieces to production, and so, consequently, the worker is forced to work without any limit on the length of the workday. And it also allows the capitalist to put control over the quality of the work in the worker's hands, because otherwise, he doesn't pay the wage. And what also emerged was that this serves the capitalist as a way to cheat the worker by paying him below the value of his labor power, rejecting his work on the grounds that it doesn't meet the required quality standards, and so on. There was one thing before, which is: if time-based pay standardizes wages for the same types of work, piece-rate pay depends on the attributes of each individual, and then there can be very significant wage differences.

Ivan: Just a quick little thing I wanted to mention. The other day I was reviewing the amendments to the labor contract law here in Argentina, and in the original 1974 text there's a rule about piecework, which is also known as piece-rate work. It stipulated that to determine the value, or price per piece, the number of pieces that could be made at a normal pace in an 8-hour workday had to be calculated, and from that, a wage equivalent to the minimum wage, or the collective bargaining agreement wage, would be established. This appeared at a much more developed stage of the labor movement, as a requirement imposed by the labor movement on capital for this type of payment, piece-rate remuneration, which they ultimately ended up measuring by time. Two years later, the dictatorship annulled that part of the article where it made the comparison, where it established the time-based measurement.

JIC: Yes, the thing is, even with that foundation, the worker is under pressure because working harder will result in a higher wage. And since the worker always has the possibility of acquiring additional use values that seemingly allow them to reproduce themselves better (later we have to consider whether there isn't such additional wear and tear that these additional use values don't even replace the extra labor power they expended). But the "invitation" to the worker to work more is always present. And then there are wage structures where there's no equivalence between wages and time, and in rural areas this was very prevalent because, for example, harvesters typically have piece-rate wages and there's no hourly wage. So it's very difficult to compare. But yes, if the dictatorship could extract something more, it was going to extract that extra bit. Now, in what follows, Marx makes a reference to the state's actions in relation to these conditions. Alejandro, did you want to bring something up?

Alejandro: Yes. This piece-rate system tends to intensify competition among the workers themselves, right? I was thinking about how workers compete with each other in the same work process to see who produces more, but at the same time, there's no way to buy from the people who need to sell. There's no way to absorb

everything each worker produces. So, I don't know, I was thinking about specific cases, and just yesterday, I saw on the news about a bus driver [259]whose salary is based on the number of passengers he sells. Another bus driver wouldn't let his usual passengers on board; he got off with a bat and confronted him, basically. Or this case Iván mentioned, which would be a kind of piece-rate system with a minimum wage, if you will, but it's still piece-rate, like the case of clothing or car salespeople.

JIC: Everyone who works on commission. Marx adds something else in Volume 3, which I don't quite agree with. But in principle, everyone who works on commission is a form of piece-rate wage.

Alejandro: Of course, and among clothing vendors it's quite obvious that when you go to enter a store, if they could, they'd start fighting to see who serves you.

JIC: Yes. What Marx argues there is that it exacerbates individualism. The issue of competition among workers isn't so much that it undermines the possibility of establishing a relationship of solidarity because of the very large wage differences, and it seems that the wage difference isn't... Or the low wage, it's not that the capitalist imposed it, but rather it seems to be the fault of the worker who didn't work fast enough, or diligently enough in that job.

Ivan [Chat]: The film *Crimen ferpecto* is very eloquent in the competition for commissions.

JIC: I'm not familiar with the film "The Perfect Crime [260]," but I can imagine. So yes, it's as if it sharpens the workers' individualism and makes it difficult for them to establish a sense of solidarity. In any case, we also saw this last time: piece-rate wages have a number of limitations when the pace of work doesn't depend on the individual worker's subjectivity, but rather on the machine. Sometimes, collective forms of piece-rate wages appear, such as production bonuses, but it can't be a pure piece-rate wage where it's impossible to differentiate what each person did. [...] When technical processes become more complex, then in much of agricultural production, when you look at it in Argentina, where there were forms of piece-rate wages, those forms disappear and are replaced by wages; especially for those who managed production, they become time-based wages.

And the other contradiction with piece-rate wages, from the capitalist's perspective, is that when labor productivity increases, the piece-rate wage obviously has to decrease. Because if there's a technological change that allows the worker, let's say, to double their labor productivity and produce twice as many pieces in the same amount of time, the old piece-rate rate has effectively doubled their income, and this becomes a source of conflict between the capitalist and the worker. Generally, capitalists don't make much of a fuss about it, but where the type of work requires some form of coercion on the worker—something other than simply a matter of how many pieces are made equaling how much is paid—it starts to affect the viability of this type of wage. And then there's the issue that if

[259]Bus driver (of a "collective").
[260]is " ferpecto ", as a joke.

the worker extends their workday because they expect a higher wage for producing more pieces, it's possible that, far from actually earning a higher wage, the additional physical exertion they endure can't be offset by that wage difference because they produced more pieces.

Ivan: Something else that happens, Juan, for example, today in many platform companies like Uber or food delivery companies (delivery services, etc.), is not directly related to what you mentioned regarding increased labor productivity, but rather that piece-rate pay appears to be both an attraction and a repulsion factor for workers. That is, since these platforms operate on demand, when they enter a country with the goal of attracting workers, they offer a relatively high payment per trip or delivery. And when they reach their target number of delivery drivers or couriers, they make a contractual change, lowering the piece rate, that is, the rate per delivery or trip, and in this way they try to get rid of workers. And in general, many of the conflicts that arise between workers and companies are related to these price changes when companies need to adjust.

JIC: Yes, there they don't even have much of a problem lowering the price per piece: they simply announce that the price per piece has been lowered.

Ivan: Yes, in fact, every time they log into the application they have to subscribe to the adhesion contract, and it appears in that contract… […] Since they work digitally *logged* into an application, whether it's Uber, PedidosYa, or Rappi, every day they log in to work they have to subscribe to the guidelines, they have to sign a contract.

JIC: It's as if every time, every day, they make a different contract.

Ivan: Exactly. The contract might be the same, or at some point there might be a change in how fares are paid, in the price of trips, either increasing or decreasing. In Argentina, they don't have many problems because inflation does most of the work for them, but even so, they have had changes that have lowered fares.

JIC: Of course, with the excuse that it's not a salary… Because in Argentina, nominal wages can't be lowered. At least there was that labor law—I don't know if it's still in effect, but I understand it was. They argue that it's not a salary, so, since it's like a tariff, it doesn't count…

Ivan: They don't fall directly under the employment contract law.

Alejandro: He's basically the boss himself [Laughs].

JIC: Yes.

Chapter XX. National diversity of wages

I'm going to make three observations, because it's involved... it's as if Marx paused on this issue when he was developing the more general determinations, and here he focuses on concrete forms that he himself clarifies should be addressed in the theory of wages. But well, here the more general issues will be placed within the theory of wages, which is the form of wages. But now this idea of national differences in wages appears. And in reality, national differences didn't appear in many other terms. And what one has to keep in mind here is that... Well, we've discussed this several times: when Marx develops this, sometimes he explicitly states that he's developing a national form, a national space; sometimes it's presented as if it were a general determination. We're going to look at it... Here we were seeing determinations, general forms, and now what appears is a national specificity, a specific national determination. And in that national determination, a clarification is necessary. Marx is going to talk about more productive jobs, national spaces where labor is more productive and national spaces where labor is less productive. This means that different production techniques are used.

In Latin America, due to specific circumstances, when national differences are discussed, the image that immediately arises is that one country is a producer of raw materials and the other is an industrialized country. But what Marx is analyzing here is not that: these are two countries that produce the same thing. It's not that they produce different kinds of commodities, but rather that they both produce the same commodity, and what happens to the application of the law of value? And here Marx says that the law of value is modified when one enters the national sphere.

Let me put it this way: there are differences between two national spaces. The commodity produced in national space A, when it enters circulation in space B, because labor is more productive in A than in B, materially embodies less abstract labor, which in its national space was recognized as socially necessary. But since lower labor productivity is the norm in B, when what is produced in A reaches B, it is sold at the price corresponding to the determinations of value in B. And consequently, this more productive labor, this product coming from A, which embodies less labor in B, appears to embody more labor. And so it appears as if it were the product of more intensive labor. It doesn't appear as the product of more productive labor, because otherwise a lower value would be sold, but rather it appears as if more labor had been expended in producing it. And that is the observation he is going to make, with one caveat.

Ivan: I didn't understand, Juan, I'm lost. I mean, why isn't it worth less, why doesn't it have a lower price than where...? [...] I mean, [...] A would be the most productive space and B the least productive. The commodity arrives from A to B...

JIC: Which is the same commodity produced in B. Let's assume that the gnocchi in A are kneaded by machine and in B they are kneaded by hand.

Ivan: Some are made in Italy and the other in Germany.

JIC: No, because then you introduce a different kind of connotation [Laughter]. But it could be. What's going on?

Let's assume that value is measured in gold, so there's no difference, and that gold isn't produced in either of these two national spaces; therefore, its value doesn't depend on labor productivity in one or the other. [...] Let's assume that labor productivity in A and B is the same, and that in both, ten plates of gnocchi sell for one ounce of gold. In A, labor productivity doubles, so each plate of gnocchi now contains half the labor it once did. Consequently, now, the 10 gnocchi In A, gnocchi are no longer sold for a full ounce of gold; they are sold for half an ounce. But in B, they are still kneaded by hand. Consequently, in B, the amount of labor required to produce the gnocchi is the same as before. The 10 gnocchi in B are sold for a full ounce of gold. If the gnocchi producers in A manage to sell their gnocchi in B, then in B, the 10 gnocchi will be sold for a full ounce of gold. Consequently, it will appear that these dishes, which represent half the labor, actually represent twice the labor. Since they are the product of a shorter labor time, it seems that the labor was expended more intensely during that shorter labor time.

This is the situation up to this point. Then comes the limit. And that is: what happens to competition when these gnocchi enter B? Let's suppose that before, B obtained half of its gnocchi domestically and half imported from A. And now this quantity from A enters the market, and needs to sell them below what was the old social value in B, at a lower price so they can be sold. Or someone in B will incorporate a more productive technique and then lower the price. So it's: this is valid—says Marx—until competition takes over and now they have to sell at what is the new social value. It can't be sustained indefinitely. Well, this is one of the observations that come with this.

And another observation, which Marx will dedicate to Carey, but which corresponds to neoclassical economics, to Austrian economics, and which... I won't say "curiously," I'll state it without qualifiers: that it is implicit in explanations of dependency theory. It's the idea that wages don't depend on the value of labor power, but rather on labor productivity, and that therefore, where productivity is higher, wages are higher. In dependency theory, it appears that the effect of increased labor productivity in industrialized countries isn't reflected in lower prices for industrial products, because the most productive workers have increased their wages. Then this arises, which is a series of inconsistencies, because wages don't depend on labor productivity, they depend on the value of labor power, and the value of labor power depends on what productive attributes capital demands and how those conditions for the reproduction of labor power evolve or have evolved. So, this critique appears. And Marx, in addition to criticizing this approach...

Ivan: But Juan. That's also terrible because it's like a way of justifying the low wages of a large part of Latin American workers.

JIC: That's right.

Alejandro: And sometimes people also fall into the trap of thinking that wage increases based on a predetermined plan will increase productivity.

Ivan: And it's also a way of encouraging fragmentation, or the way we see the working class as fragmented. Because we justify that some have high wages and others low wages based on that productivity.

JIC: Yes, there's a reason why neoclassical economics and Austrian economics (a branch of neoclassical economics, but currently booming and claiming not to be neoclassical…) say exactly the same thing regarding wage determination. That's why what appears to be a critique of the capitalist mode of production ultimately falls into the same trap: the argument about the deterioration of the "terms of trade," which supposedly doesn't translate into increased labor productivity reflected in industrial prices because that increase is reflected in higher wages.

And then the other point he makes about Carey, which is also absolutely relevant, is that when things don't happen the way Carey's theory says they should, Carey resorts to saying that this is the consequence of state "interference" that distorts natural economic relations. And Carey says (I don't know exactly what he says, but what Marx cites as a reference) that in national wages, taxes should be considered part of workers' wages. And here we have to remember that there weren't taxes like the ones we now euphemistically call "employer contributions" or "social security contributions," because that's part of the value of labor power. Besides the fact that the capitalist doesn't contribute anything to surplus value, pension funds are part of the value of a labor power whose natural life must be sustained beyond the last day of work due to the intensity of the labor. In order to be able to work on the last day, that work is so intense that the worker cannot arrive exhausted and must continue their natural life. It is part of the value of labor power: it is neither a social charge, nor an employer contribution, nor a tax.

At that time, such a system didn't exist, so taxes were general taxes for the operation of the state, which Carey included in addition to wages. Then Marx adds the irony of wondering if these costs incurred by the state weren't also natural consequences of capitalist development. He reiterates that everything functions according to natural laws, which are only hindered by state intervention, and then demands that the state intervene in global market relations to protect these "natural laws." This is something we still hear today, but exactly as Carey and Marx framed it.

And the other aspect that also remains absolutely relevant, which Marx will address as a result of these national wage differences—it's not directly linked to the differences themselves, but rather stems from considering them—is this: Who is to blame for social antagonisms and contradictions? The blame lies with the theories of Ricardo and other authors. It's not that the cause of antagonism arises from the fact that Ricardo discovered it. I don't know if that's clear, but it's the same as what's said today about who is to blame for social antagonisms: Marx is to blame.

Ivan: In other words: it is the idea that generates the antagonism, not the materiality of the social organization.

Alejandro: It's because you 're envious, that's why [Laughter], you envy the landowner's wealth.

Ivan: If you don't wear a red ribbon on your wrist, that's not my fault. We must never forget Menger, who in this beautiful paragraph laments that there are still individuals who seek payment for their work. Menger is very good because he opposes the idea that work is a sacrifice against leisure; he says that people would work for free, but they don't because there are other places that offer payment.

JIC: So we have to eliminate wages, that way everyone works [Laughter]. The perverse thing about that is that, in fact, work is the way human beings affirm their condition as generic beings. I think we already talked once about how that's exploited later in labor relations—let's put it in these terms—to accentuate exploitation. Well, and the other thing is already the summary of the justification for not paying. Well, I don't know if there's anything else. I have something else to say about labor power, about wages, as the price of labor, but I don't know if you want to discuss anything else.

Alejandro: I'm still not entirely clear on how the development works. It ends up appearing somewhat externally, or not so much... I can't quite grasp the thread, because it starts talking about forms of wages, and then the national diversity of wages; it's like there's a jump. It seems like a similar jump to me at the end of Chapter III, when it starts talking about world money and... But well, that's different because world money had a different form that doesn't correspond to what was being mentioned there, but I still can't find the connection.

JIC: It's not the same as the issue of world money, precisely because in the world market it appears as if gold wasn't circulating... Because gold coins were circulating; not gold in ingots or bars, as Marx suggests, but in pounds sterling, and even in the form of means of payment denominated in gold pounds, which I don't know if they were all paid for in gold pounds or not, but it's possible they were. But here's the whole development, it's what I had proposed the other time, it comes with a development that will play a central role later on.

Because what emerges here is this: this form that values labor power as the price of labor erases exploitation, the difference between paid and unpaid work. [...] What did he propose at the outset? The expenditure of labor power is measured in time. And it appears independent of time even in piece-rate wages. Why did he put it here? We would have to ask Marx, and that will be difficult. And why does he dwell so much on time-based wages and wages based on quantity? He shows how the division of the workday between paid and unpaid work is erased, so it makes sense to move from one to the other. When the issue of national differences arises, it's clear he had it in mind as a question; he uses it to discuss Carey's point. There's always that ambiguity of whether we're talking about the general unity of the capitalist mode of production or a national form.

When we speak of the "state," strictly speaking, we're referring to its historical development up to the present day, although there are incipient, rather ineffective forms of an international state that appears as a world state. The state consists of nation-states. So, one can also associate this entire development with wanting to criticize Carey. He referred to the state, and the nation-state came up. The differences in national wages are what we see, empirically, through pseudo-calculation, in this business of adding taxes to wages in one country versus another. Carey must have wanted to address something. So it occurs to me that he included it because, since he was already there, why leave it for another time? The issue is clear here, it's resolved, let's move on. Whether it's for that reason or not is impossible to know, but I think it can't be viewed beyond that; it's simply a place to put it. One can think of it as a problem of circulation, of the form that the value of labor power takes in circulation.

But anyway, for me there's one more thing that's missing from Marx's analysis, except… he mentions that with piece-rate wages, when productivity increases, the base must change, and this creates a conflict for capital; so, it ends up imposing time-based wages "even by force" to replace piece-rate wages. But even with time-based wages, when the productivity of labor in general increases… Piece-rate wages occur when the productivity of the work performed by *this* worker increases. With time-based wages, it's when the productivity of labor *in general increases* in such a way that the value of labor power decreases. And that's what I want us to focus on now, something that doesn't appear in *Capital.*

[...] [261]It's possible that in Marx's time (I don't remember exactly, I have wage series there) nominal wages fell when labor productivity rose. It's very difficult to examine because there are changes in working hours and so on. [...] And it's intertwined with another issue, which we won't address right now; we'll add it in Volume 3. We touched on it briefly: the change in working hours, the change in the quantity of use values that the worker has to consume to reproduce their labor power as technical conditions change, particularly as the intensity of labor increases and the productive attributes that capital demands from the worker change. So it's difficult to see what happened to the value of labor power and what happened to what appears as real wages and nominal wages. But in any case, one has to explain why, when productivity rises, the value of labor power falls, but nominal wages don't. But that's what I wanted to explore.

Alejandro [Chat]: In what way does the national diversity of nationals play a role in the unity of the international working class?

JIC: […] Think about this again: what Marx is proposing here regarding national wage differences isn't about countries producing different commodities; it's not a situation that persists over time, because, as he says, as long as competition doesn't eliminate the difference, the law of value simply prevails. So, it's not related to any of these issues. Therefore, the issue of different national wages certainly plays a role in the unity of the global working class, but it also involves a series of other factors that have yet to be addressed and will remain so… never. At

[261]Alejandro asks Juan to repeat himself, he got cut off.

least not in the workshops on *Capital,* because when we get to Volume 3, we won't be looking at that difference either; it's not present. Some issues arise there with India, but they aren't related to workers' solidarity; they're related to balance of payments and the movement of money, of borrowed capital, interest, and the circulation of money in the world market. So, we'll leave it there for now.

Alejandro [Chat]: Is the national diversity of wages what Lenin later used to talk about a supposed labor aristocracy in some countries compared to others where wages are lower?

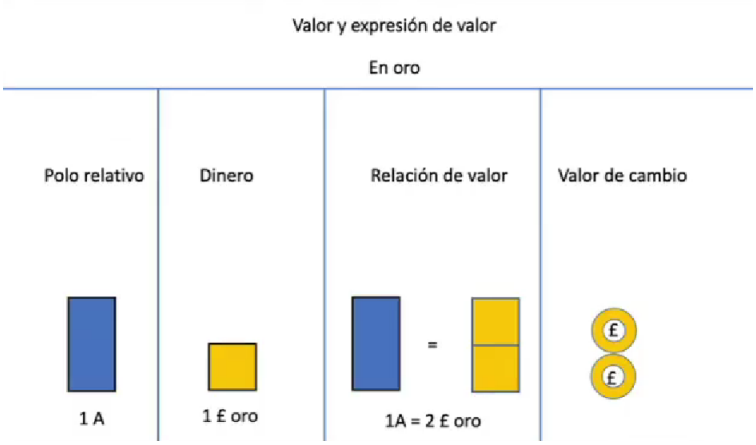
JIC: Lenin's idea does appear as something like… But it's not this, it doesn't come from here, because Lenin is precisely looking at countries with different production levels. Marx later discusses countries with different rates of surplus value because there are different levels of labor productivity, but the countries with the highest rates of surplus value are those with the highest labor productivity. In the image, for example, of dependency theory or Emmanuel's theory of unequal exchange, the country with the highest rate of surplus value is the one with lower wages; and in Marx's later development, that determination doesn't appear, but rather the opposite: the country with higher labor productivity has a higher rate of surplus value because the value of labor power is lower. So, these are all issues that transcend what's been presented so far. I don't know if you want to add anything else, if not…

Ivan: What's the point of saying that the rate of surplus value is higher when wages are lower, as if it were a necessity? It would seem that capital is accumulating more in Africa.

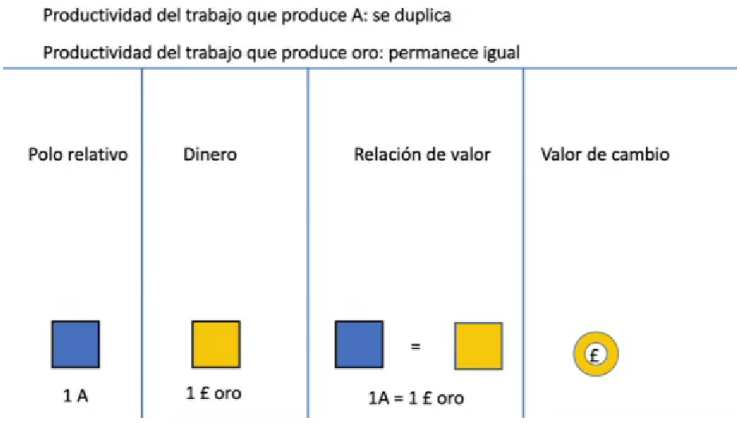
JIC: That's Emmanuel's theory of unequal exchange, let's leave it at that. We have to look at all the determinants of national differences, of national specificities, and then answer these questions. Otherwise, the treatment is abstract. When we get to Volume 3, we can make some mention of these arguments, but Volume 3 doesn't include the national differences we're thinking about, and that argument isn't there. And what does appear is this: the country with a higher rate of surplus value has a higher rate of labor productivity. Consequently, the value of labor power, with equal consumption of commodities, with the same basket of use values—the value of labor power is lower, the working day is the same, the intensity of labor is the same—the rate of surplus value is higher. But well, let's leave all that aside and focus on the general determinants. [Presents some slides]

Value of labor power and its expression through changes in labor productivity

To develop this, I'll revisit something from Chapter I, which is what happens to the value of commodities, what happens to value—I'll start with gold to make it clearer—and what happens to the expression of the value of a commodity in the general equivalent, in this case, gold. So I'm going to begin—it's simple—by taking this [**1**] [262]:

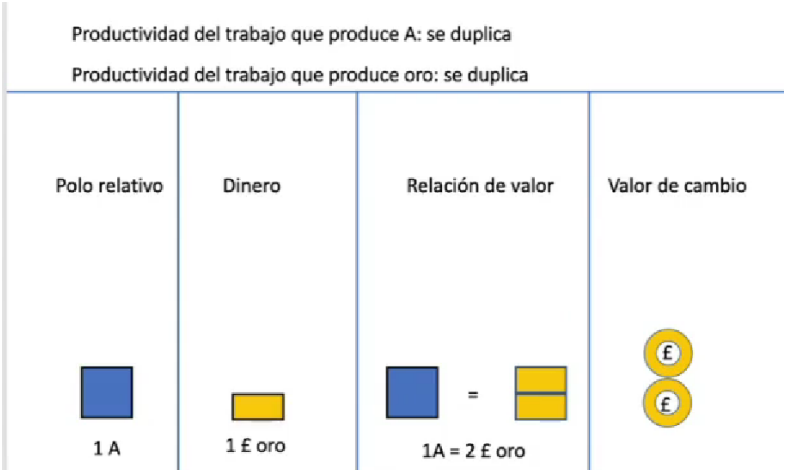


Let's consider that at the relative pole is one unit of commodity A, which embodies the quantity of labor given by the blue column, and that money, represented by 1 pound of gold, embodies this quantity of labor. Consequently, the value of one unit of commodity A in gold is equivalent to 2 pounds of gold, and since the exchange value is in pounds of gold, the price of 1 unit of A is 2 pounds of gold. What happens if the productivity of the labor that produces commodity A increases, while the productivity of the labor that produces money remains constant?



Now [**2**] one unit of commodity A embodies half the labor it did before. Therefore, the value ratio between 1 A and 1£ gold is now 1 A = 1£ gold. The exchange value fell by half, as corresponds to the fact that the value of each unit of A decreased by half.

[262] I name the slides in brackets so I can refer to them later.

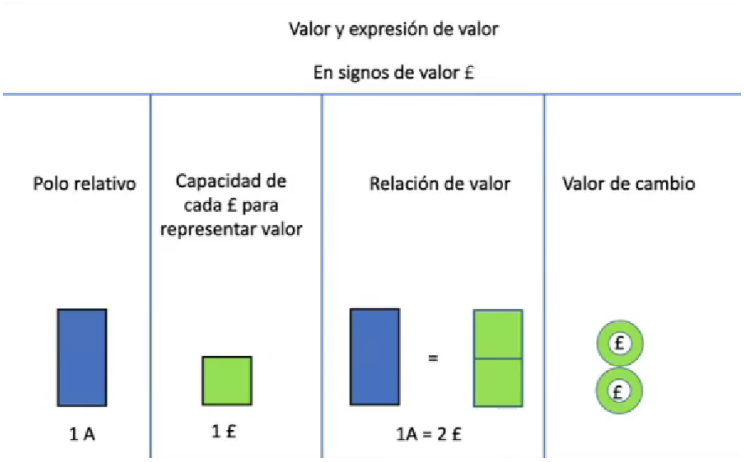


What we also had is what happens when the productivity of the labor that produces the equivalent changes, and consequently, the value of one unit of the equivalent changes. And so here [**3**] we have that the productivity of the labor that produces A doubled, but so did the productivity of the labor that produces gold. And consequently, the relationship between the value of 1A and the value of gold remains that 1A = 2 pounds of gold, the same as before [**1**], because the value of both elements was halved. And in the exchange value, it will be shown that 2 pounds of gold are needed to express the value of 1A. Do you remember all this?

Alejandro: Yes, that's what we saw when we were in the first chapters.

Ivan: But this PowerPoint wasn't there.

JIC: No, I don't think we used it. I don't remember if we used something similar or if we didn't use any at all. I generally use these for courses that aren't part of the workshop.



Okay, here [**4**] we have the same thing, but now what's circulating isn't gold, but rather value tokens called "£1" which are shown in green. So we're back to the initial situation: this is the value of 1A because it carries that amount of socially necessary abstract labor equivalent to it. The value token, multiplied by the

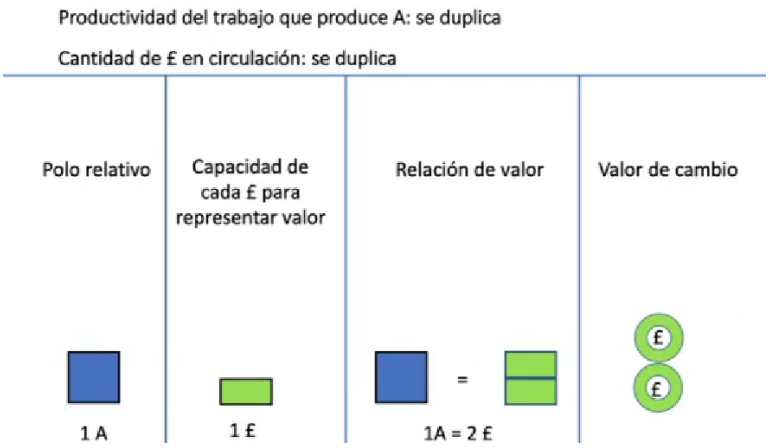
amount in circulation, expresses, represents the same thing that £1 of gold represented before. And so, in this relationship (which isn't valid to put it this way because tokens don't have value, but anyway), one 1A is worth two £ notes, and the exchange value, the price of this commodity, will be two £ notes or coins. The productivity of the labor that produces gold has doubled, but the amount of value tokens in circulation hasn't changed; consequently, each value token still has the same capacity to represent value as before. And now, since the value of one unit of A has fallen by half, only one £ value token is needed to express that value.

Alejandro: Juan, this step regarding the value relationship in the case of money is more than anything... as an intermediary to keep in mind that it is actually the price, right? Because what you mentioned about there not being a value relationship because money, regardless of its sign, has value...

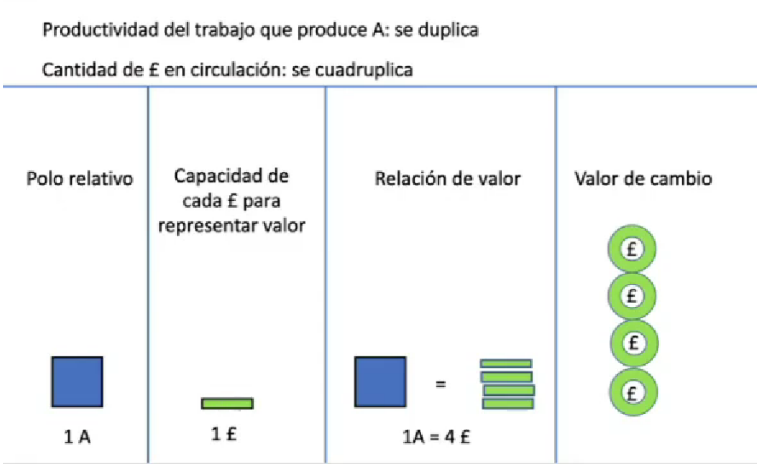
JIC: The value sign has no value.

Alejandro: So what one really sees immediately is the price.

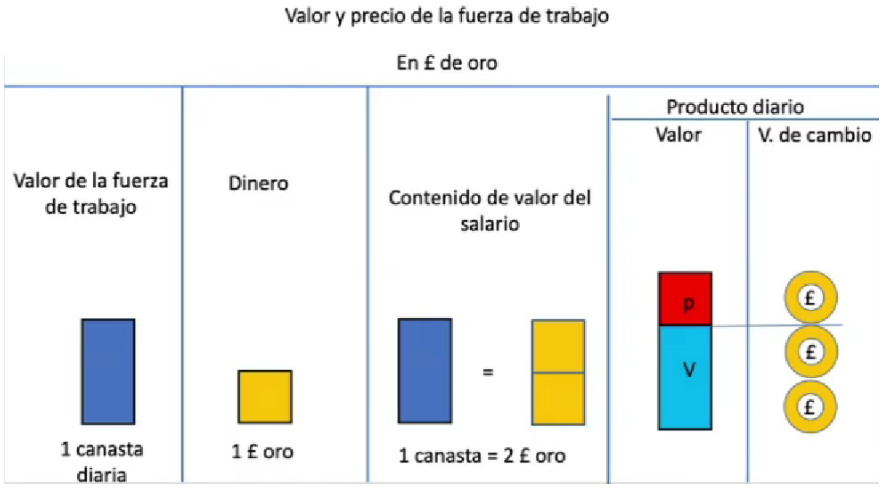
JIC: What will appear is the price, but I've included it like this for the purposes of the presentation, to make it clear (Now we'll see why). Up to this point, it seems that this part is redundant, that I could just put "exchange value" here and that's it. But there's a reason to separate it that comes after.



Well, the same thing now [**5**]: the productivity of the labor that produces A doubled, but so did the quantity of signs of value. And consequently, even though the value of commodity A fell by half, its exchange value expressed in signs of value is still 2 pounds of paper, let's say. So far, it's simply with the exchange of any two commodities. There's still something else missing, and that's why we now have this [**6**]:

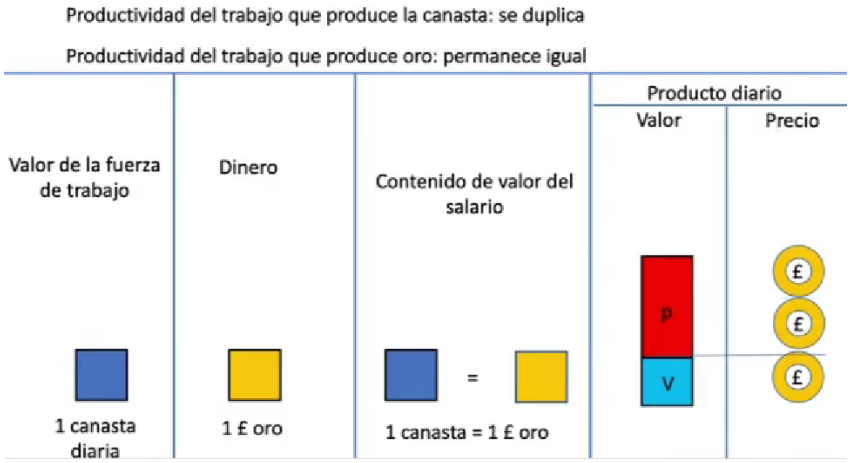


The productivity of the labor that produces 1A doubled, and its value fell by half. But the number of value signs in circulation quadrupled. Consequently, the capacity of each value sign to represent value was halved, and now it takes £4 of paper to express this reduced value of 1A. So, the value of A decreased, but the exchange value of A increased. In either of these cases... [Goes to previous slides] In [**3**], the value of A decreased, but the exchange value of A did not change. Why? In the first case, because the value of gold also decreased. But in this case of value signs [**5**], it is because the number of value signs in circulation increased. And in [**6**], it is because the number of value signs increased more than proportionally than the value of A decreased. So, in this case, it has less value, but in the case of value signs, the price rose because each value sign has less capacity to represent value than it did before. And now I do believe we can look at the situation in terms of the value of the workforce.

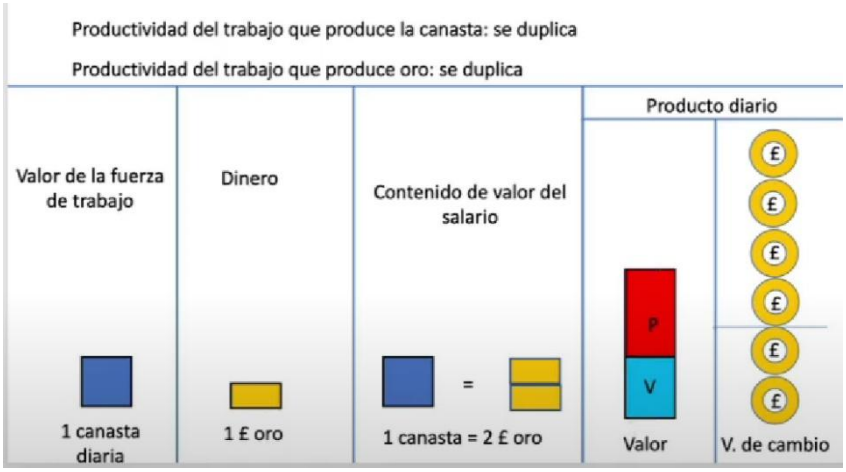


So now [**7**] we are going to consider that what was previously 1A is the daily basket that determines the value of labor power. This was the initial situation: the amount of labor that produces 1 pound of gold is half the amount of labor that the basket produces, and so the value of a basket is expressed as 2 pounds of gold. And now we add the daily product, and we are going to consider that this is the amount of value that a worker produces per day's work; since the value of his labor power is this basket, this is the **capital gain** And this is the **worth** of labor power. Expressed in gold pounds, the total value of labor is 3 gold pounds, the value of

labor power is 2 gold pounds, and the price of labor is 2 gold pounds. What the worker receives in the form of wages is 2 gold pounds.



What we have here [8] is the situation that followed: the productivity of the labor that produces the basket doubled, nothing changed with the productivity of the labor that produces the gold, and now 1 basket = 1 pound of gold. The value of labor power was halved, and consequently the worker's wage is now only 1 pound of gold (until now he received 2 pounds), the other half being released as surplus value. The capitalist receives 2 pounds, the worker 1 pound. And this means that the worker had to be called and told that he would now receive only one gold coin. In ordinary terms, this is: the value of labor power falls, the nominal wage falls, the real wage—the worker's purchasing power—remains constant because the commodities he will buy are worth half of what they were.

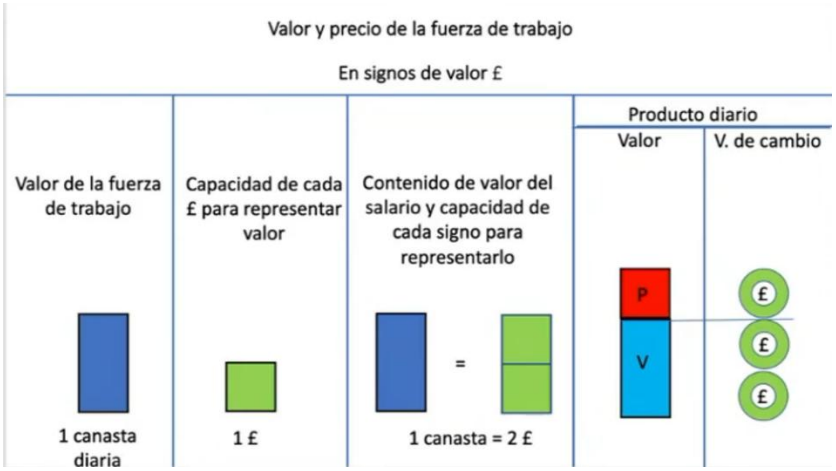


In this other case [9], the productivity of the labor that produces the gold also doubles. What we will have is that a basket is still worth 2 pounds of gold; its price is still two ounces of gold, but its value has been halved. However, since the value of each pound of gold has also been halved, we will have the following. Let's consider, in the working day, how there is a general doubling of the productivity of labor... What I have to represent now is the value product of a working day. That value product, which was previously expressed as 3 pounds of gold, now needs 6

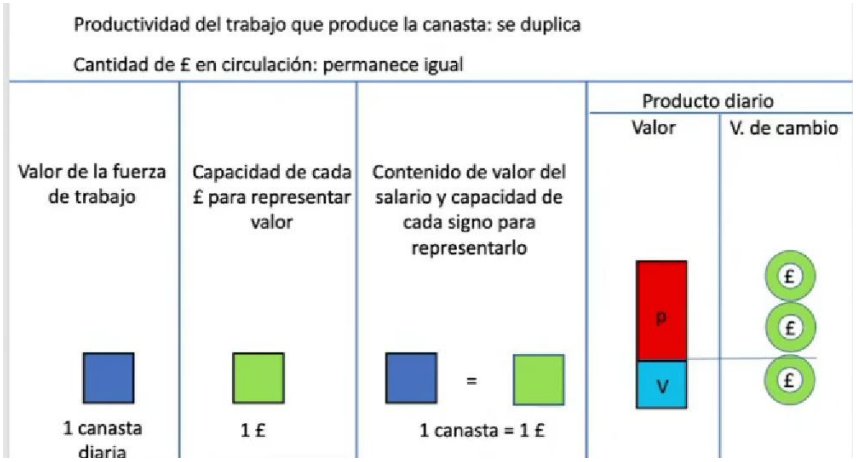
pounds of gold to express the value of the worker's labor product, since each pound of gold now embodies half the labor it did before. That value product is the same as before, but since the productivity of the labor that produced the gold has doubled, I now need twice the amount of gold to express that same value. Of that doubled amount of gold, the worker will now receive 1/3 instead of 2/3, as before, because the value of labor power has been halved. But the rate of surplus value will have risen. The value of what the worker produced does not change, but the expression of the value of what the worker produced has doubled, and the value of labor power has been halved. The nominal wage remains the same, and the real wage remains the same; the worker still receives two gold coins, buys the same quantity of commodities as before, but the value of their labor power has been halved.

And now we're going to consider not when gold circulates, but when signs of value circulate. Do they mean anything?

Alejandro: Juan, these were the points I still had pending in classical economics that I had never been able to put together well, but I think now I'm managing to understand it a little better and well, I'll wait until it finishes developing and in any case we'll talk about it.

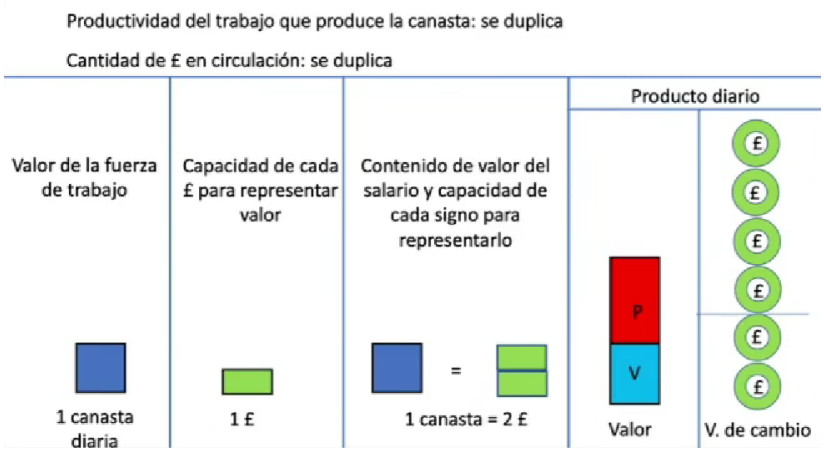


JIC: Okay. Let's now consider the existence of value signs [**10**]. We start back at the initial situation: this is the value of the basket; there are a certain number of value signs in circulation, each sign representing one ounce of gold, and consequently, the value content of the wage and the capacity of each sign to represent it—this is the value content—and it takes 2 pounds of value signs to represent that value. Let's look at the working day: it lasts this long, 2/3 These are needed for the worker to reproduce the value of his labor power, 1/3 There is surplus value left over, and the worker's wage is £2 on paper.

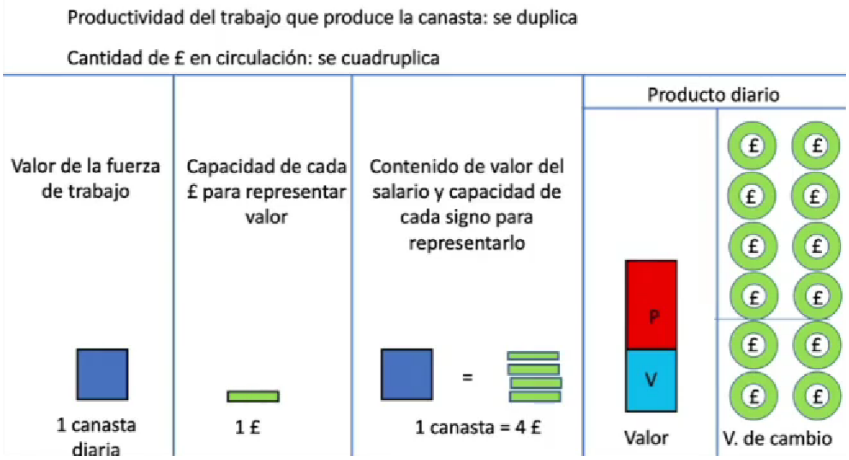


[**11**] The productivity of the labor that produces the basket doubles, and the number of value signs in circulation remains unchanged. Consequently, the value content is now halved, while the capacity of the value sign to represent value remains the same. And now the worker needs only $^{1/3}$ of the workday to reproduce the value of their labor power. They continue working the same amount, producing the same mass of value, but now, of that mass of value of 3 pounds, 1 pound belongs to them, 2 pounds have become surplus value. And we see that the value of labor power has decreased, the nominal wage has decreased, but the real wage has not. But here the conflict arises: the worker must be called in and their nominal wage lowered.

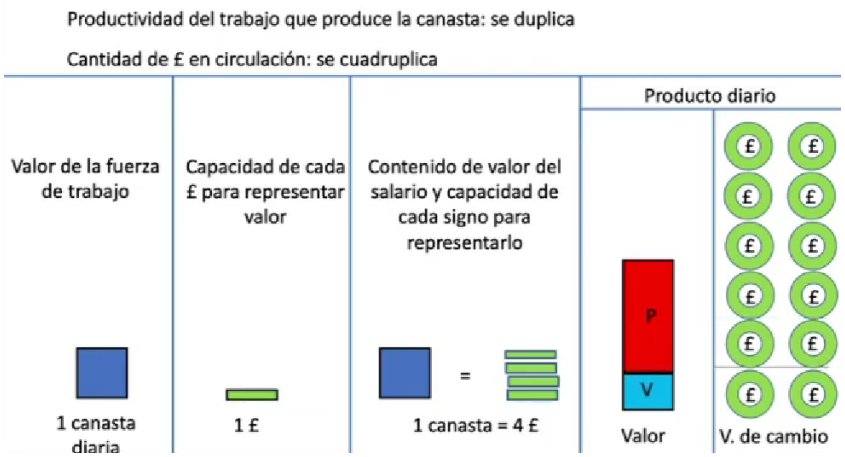
The state puts tokens of value into circulation. How can the state, from the perspective of the overall process of capital accumulation, as the representative of the total capital of society, lower the value of labor power, consequently raising surplus value, without lowering nominal wages? If the state introduces into circulation a quantity of tokens of value corresponding to the increase in the productivity of the labor that produces the basket… That is: labor productivity doubled, the value of labor power was halved, but the capacity of each £1 note to represent value was also halved, because the quantity of notes in circulation doubled. Now the value content was halved, but the capacity of each token of value to represent value was also halved. And, consequently, £2 of paper money is still needed to express the value of a basket.



Let's look at the situation here [**12**] regarding what happened with the appropriation of the product of labor. The product of labor in the mass of value remains the same, but now this mass of value, since each sign of value lost half its capacity to represent value, is no longer expressed in the 3 units we had before, but is now expressed in 6 pounds, because each of these units represents half the value it represented before. Of those 6 pounds, the capitalist appropriates 4 pounds and pays the worker the value of their labor power, which is 2 pounds. And what we have here, with the mediation of the state, increasing the quantity of signs of value in circulation so that each of them loses a proportional part of its capacity to represent value, compared to what happened to the productivity of the labor that produces the means of subsistence for the workers, is that surplus value increased, the value of labor power decreased, nominal wages remained unchanged, and real wages remained unchanged. And so, the capitalists didn't have to call their workers and tell them they were going to cut their nominal wages in half and have a conflict. The nominal wage remained the same, but its purchasing power in terms of value was halved, while in terms of the price of commodities it remained constant.


Productividad del trabajo que produce la canasta: se duplica
Cantidad de £ en circulación: se cuadruplica
Producto diario
Valor de la fuerza de trabajo
Capacidad de cada £ para representar valor
Contenido de valor del salario y capacidad de cada signo para representarlo
P
V
=
1 canasta diaria
1 £
1 canasta = 4 £
Valor
V. de cambio

And there is a further step in this, corresponding to the example where the value of gold also decreased [**9**]. Here [**13**], the number of value tokens in circulation quadruples. Each value token's capacity to represent value is reduced to a quarter: now 4 pounds of paper are needed to represent the value of the basket. The product of value, which remains the same, is now expressed as 12 pounds. Of those 12 notes, the capitalist keeps 8 pounds and pays the worker 4 pounds: the worker sees their nominal wage increase. What do we have here? The value of labor power decreased, but the nominal wage increased, and the real wage remained constant. The worker still has the same purchasing power as before, but their nominal wage increased. Not only did their nominal wage not have to be reduced, but they were even granted an increase.


Productividad del trabajo que produce la canasta: se duplica
Cantidad de £ en circulación: se cuadruplica
Producto diario
Valor de la fuerza de trabajo
Capacidad de cada £ para representar valor
Contenido de valor del salario y capacidad de cada signo para representarlo
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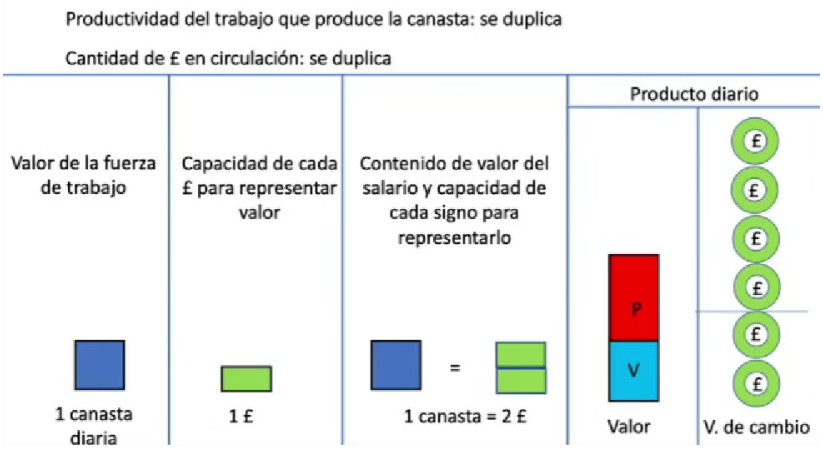
Valor
V. de cambio

And the last example we have [**14**] is painfully Argentinian. The value of the basket was halved, but the capacity of each value sign to represent value was reduced to a quarter because the number of value signs in circulation quadrupled. A basket is now worth 4 paper pounds; the worker receives no increase in their nominal wage, and consequently, they will be selling their labor power below its value. They will have surrendered a portion of the value of their labor power, converted into surplus value; their nominal wage will have remained constant despite the increase in the price of their basket, which went from costing 2 pounds to 4 pounds. They continue to receive 2 pounds, and the capitalist increased their surplus value.

So, what appears as the general movement tends to be this here [I repeat **12**]:


Productividad del trabajo que produce la canasta: se duplica
Cantidad de £ en circulación: se duplica
Producto diario
Valor de la fuerza de trabajo
Capacidad de cada £ para representar valor
Contenido de valor del salario y capacidad de cada signo para representarlo
P
V
1 canasta diaria
1 £
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1 canasta = 2 £
Valor
V. de cambio

This is the simplest determination. The same applies to bank money. But in the simplest case, [nation-states] incorporate signs of value that compensate for the increase in labor productivity; consequently, the value of labor power falls, the nominal wage remains stagnant, the real wage remains stagnant, and the worker has nothing to complain about. And it is through this mechanism that the value of labor power decreases without a corresponding decrease in the price of labor.

When capital is going to pay for labor power below its value, this is how it does it [**14,** the "Argentine" case]: the prices of the means of subsistence rise, and

nominal wages do not rise proportionally, or they don't rise at all. Not only has the value of labor power decreased, but it is being sold below its value. Is all this clear?

Ivan: Juan, one question: how do you resolve this when there are asymmetrical increases in labor productivity? That is, when in a national area there are industries that increase their labor productivity. No, wait… I'm getting confused by the question, I'm not going to ask it, I'll think about it.

JIC: No, but look, this is stated in general terms. Then, the concrete forms this takes, again, depend on the national processes of capital accumulation: it depends on what happens to that labor power, whether it's being sold at its value, whether it's being sold below, whether the value of that labor power is changing… Because beyond what happens with labor productivity, the quantity of use values that the worker has to consume increases; or the length of the workday decreases because the intensity of work has increased; or the opposite: the length of the workday is lengthened; or the value of labor power decreases because a larger part of the working-class family becomes a seller of labor power… All these concrete determinations come into play.

What I'm proposing with that framework is the general determination. Furthermore, nation-states don't just do that; they do a little more. So, if the value of labor power has decreased, even though they maintain purchasing power, there appears to be some increase, or some nominal increase, because since more tokens of value were issued, the prices of commodities rose. And so, it seems as if there were an increase in nominal wages, while real wages more or less remain the same. Nation-states do this not simply because… It keeps the workers happy because they get a nominal increase, but that's not the crux of the matter. It's because, since nation-states are indebted, reducing the capacity of tokens of value to represent value—and their debts are denominated in those tokens of value—means lowering the interest rate on public debt. In general, it's the interest rate on all debts, but as an immediate policy of the state, it lowers the interest rate. It seems like the interest rate is higher, but in reality, the real interest rate is lower, and it can even be negative. So, all these mechanisms come into play in between.

This is… I would put it this way: it's the general determinant of inflation. Why does it become a continuous phenomenon to a greater or lesser degree? Then one has to explain the national specificities, particularly markedly since the crisis of the 1930s… There are other times when this happens earlier, markedly, and one can look at the unity of all this. *In its simplest form,* this is the function that inflation fulfills: it allows the value of labor power to decrease without having to lower nominal wages, and therefore without immediate conflict arising. The conflict is about wage increases, not wage decreases: it's not that I'm here to complain because my wages are being lowered, I'm here to ask for a wage increase. From an ideological point of view, what emerges is: “See, you're going to be better off?” Afterward, purchasing power is the same or may even be less, but the image, from the point of view of the reproduction of consciousness, seems to be that one has to fight for a conquest, not for a “defense” of a situation, to put it in these terms. Pedro, you wanted to bring something up.

Pedro: Yes, Juan. I wanted to say that the introduction of money by the state still appears to us as an externality, right? Because the state's need to print money to lower wages and all that is still not explained.

JIC: Here, it appears linked to the fluid movement of capital accumulation. It's the way to avoid a disruption to the flow of capital movement because workers might face a significant drop in their wages. Let's put it this way: labor productivity increases, and if that increase doesn't imply greater labor intensity—if it doesn't mean that the worker, in order to maintain productive capacity, has to consume more use values than before—then the nominal wage would have to fall. This is how the movement flows, by lowering the value of labor power. If this mechanism didn't operate, the worker would see that as the productivity of their labor increases, their wage decreases. And so they might think they aren't being paid for productivity, as neoclassical theory states. They would face the obvious fact that they aren't being paid for productivity because the more productive they are, the lower the value of their labor power is under the conditions I've outlined, and therefore the lower their wage would be.

The ideological aspect of this is reflected in official statistics. You can see what happens to real wages, and it appears that real wages rise because workers consume more use values. It then *appears* that workers are benefiting from the movement of capital; but in reality, these additional use values consumed by workers mask a decrease in the value of their labor power. To put it very roughly, the value of their labor power has been halved, and the amount of use values they can consume has increased by 10%. What they see is that they earn more than before, and they fail to see that the value of their labor power was 100, it has been reduced to 50 plus the 10% increase, and now the value of their labor power is 55. It decreased from 100 to 55, but the worker perceives that their real wage has actually increased.

This is a movement of a general nature; it doesn't correspond to a development that goes beyond what we have before us. This is already present here, and that's one of the reasons. The state has other reasons, that's why I say; another reason the state, as representative of total capital, has is to lower the interest rate, making it not as positive as it is nominally, making it negative. And then other reasons of a circumstantial or more specific nature appear. One of the crude ways to lower real wages without lowering nominal wages is to increase the amount of value signs that are put into circulation, causing prices to rise more than the nominal wage is rising; real wages are falling. So, the systematic issuance of value signs beyond what corresponds to the existing mass of value plays a role, because the mass of value, if one considers the total amount of idle labor, is always the same. The incorporation of value signs plays this role. Furthermore, another role, linked to this, but related to the general movement of capital, also plays a role.

I'm taking increases in labor productivity that are disproportionate to any concrete movement, but to make it more or less visible. Let's suppose that from one year to the next, the labor productivity of the entire economy doubles (we're looking at a national economy in isolation). If the productivity of the labor that produces *all* commodities doubles, the mass of commodities entering circulation

doubles. The value of each unit falls by half, and so, if you look at it simply like this, if the same quantity of value signs remains in circulation as before labor productivity doubled, each value sign still represents the same magnitude of value as before. And since the value of all commodities, because the labor productivity of all of them doubled, fell by half, the price of each of those commodities in value signs also fell by half.

How does one transition from the old social value to this new one? The quantity of commodities in circulation has doubled, while the amount of banknotes remains the same. What emerges is a lack of effective demand. Because there isn't enough effective demand to sell twice as much, prices have to fall by half. This mechanism takes the form of an acute crisis, where prices are halved, which corresponds to the fact that their value has been halved, but this is manifested because there isn't enough purchasing power. It appears as if there's a money crisis: a lack of money, a lack of effective demand. So, if the state manages to double the quantity of signs of value (which then depends on who receives them) in circulation, there is now twice the nominal amount of effective social need. There are twice as many commodities, twice the amount of effective social need. Twice the amount of commodities are sold at the same price as before. Their value has fallen by half, but their price in terms of signs of value remains the same. There is no lack of money. The economy flowed; it didn't go into crisis because sales had to double, and there wasn't enough money to buy double that amount. So, competition had to take the form of all prices falling by half, and the movement of capital continued to flow "without conflict," so to speak. This is a general necessity for the total capital of society. I don't know, Pedro, if…

Pedro: Perfect, Juan, yes, perfect, I understand. It's a necessity of the very movement of capital to put money into circulation, yes.

JIC: Exactly. And so, it's a continuous movement that makes accumulation more fluid. Because yes, there are price changes in those movements; some prices may fall, some prices may rise more than others, but all of that depends on all the specific factors at play, how the state manages to add those signs of value into circulation, because it also depends on where the circulation enters. That's why much of it also works through the movement of bank money, changes in the velocity of money... There's a whole series of mechanisms, but in principle, this appears as a movement of a general nature.

Pedro: Maybe I'm getting ahead of myself, but now that I see it that way, the gold standard came to mind, which reached the point where increased productivity, putting money into circulation… until it reached a point where the gold standard could no longer be maintained. Of course, maybe I'm jumping the gun or it's not even related, but I thought about it, it just came to mind.

JIC: It's precisely where it systematically begins… You see it in the manifestation: the value of commodities has been falling radically. I'll take the Great Depression as a point of reference: the value of commodities has fallen drastically since the Great Depression, and yet, commodity prices, far from falling, have risen. This means that, in the simplest terms, there are more signs of value in

proportion to the increase in productivity; the proportion of signs of value increased more than the proportion by which labor productivity increased. So, this appears as a general trend.

I'm going to claim to have discovered this determination, this reason for the determination, but it's not recognized as such. Especially because neoclassical economics doesn't look at the value of commodities: for it, there is no value other than price. So, it has no way of realizing that value is decreasing, even if the price is constant or increasing. The question is: well, this is the moment when the gold standard disappears, the Great Depression. But there are many complexities there, because we would have to see what happened to the productivity of the labor that produces gold, which, as we'll see when we get to the end of Volume 3, isn't average productivity, but rather productivity on the worst land. So, we also have to look at that.

We need to examine whether, at this stage of the development of the capitalist mode of production, convertibility to gold is possible, because there isn't enough gold available to replace the existing quantity of value signs... they aren't even the value signs themselves. If you recall, in Chapter III, the function of money as a means of payment was discussed, and there Marx talks about the money that derives from this function, which encompasses the entire development of bank money and reciprocal settlements. In reality, a quantity of money is needed that corresponds to the net amount of these reciprocal settlements, because everything else is essentially settled through accounting entries. All of this will be covered in Volume 3.

Anyway, Marx, in Volume 3, argues that gold as a store of value must *always* fulfill that role. And one of the functions of gold as a reserve is to enable the convertibility of banknotes. Regarding what you were saying, you associated it with the problem of convertibility; and indeed, this generalized form appears linked to the point at which convertibility through gold ceases to function and what remains is the convertibility of some national currencies for other national currencies, where the dollar begins to emerge as the currency circulating in the world market. I believe it does have some relation to the possibility, or lack thereof, of maintaining convertibility against gold. Alejandro, did you want to raise a point?

Alejandro: Very briefly: regarding, firstly, this last point that came up, there would also be the issue of gold, which would not have the same fluidity in that price movement as in the case of the issuance of securities, right?

JIC: No, because it would depend on the productivity of labor on the poorest land needed to produce gold. This peculiarity (which is why it presents a whole series of problems later on in terms of representation) is a key factor.

In most commodities, what determines value is the socially necessary abstract labor time, the simplest way to determine it is by averaging it. I'm not sure if I'm explaining this correctly, but that's the first determining factor: it's what it costs to reproduce the commodity. But the commodity enters circulation, leaves circulation, and goes into the sphere of consumption. Gold functioning as money doesn't leave

circulation; as circulating money, it remains in circulation. That's what we were seeing. So, this is what Marx was saying: there's a certain amount of gold that can exist. And the problem that arises there is that gold has a lifespan until material wear and tear consumes it. And so, there's a stock of gold moving in circulation, which isn't the gold that has just been produced. And so, depending on what happens with the supply capacity of this gold *today* in relation to that existing mass of gold, that also influences the movement of that gold's value. Because let's suppose that now gold can be extracted with double the labor productivity, but in reality, only 1% of the gold needed in circulation will be extracted. The fact that producing that gold with that level of labor productivity requires very little work will not be reflected in a decrease in the overall value of gold.

So that's another complication in the middle of all this, which I didn't explain very well, but anyway, I hope you understood something... With that, we finish the salary section. Unless there's something you want to come back to about this next time, we'll start with playback. We'll start with that simple, short bit there, where it talks about playback, which isn't chapter numbers or anything, it's just a text from the section, and we'll probably start with simple playback.

[II]

JIC: Is there anything you'd like to bring up regarding what we discussed last time, the issue of salary?

Alejandro: Well, basically, it's a question that also stems from the talk Iván is so eager to hear, and it's directly related to what we covered in a previous class. I also discussed it with Javiera. It's the question of how wages nominally rise but actually fall. Because that wage increase is proportionally less than the rise in the prices of other commodities. While this is a general phenomenon, because it corresponds to the fall in the value of labor power, we see that, for example, in countries like Argentina, there's an additional factor: the fall in real wages goes beyond the value of labor power. But then there's the question of how one, in terms of political action, fights against that.

I think the last class left that question open. This issue of the struggle for wages. […] My question is: the struggle for wages, understanding that it is a necessary moment for the political action of the working class (because one cannot stop fighting for one's own living conditions; if one cannot reproduce one's life later, one will not be able to question one's own destiny tomorrow either), what are its limits? Because sometimes positions are reached that end up making the struggle for wages the ultimate goal. For wages and for employment, for the amount of employment, they end up making that struggle the ultimate goal. And my question is, what lies beyond that?

JIC: I don't know what the "afterlife" is.

Alejandro: I'm referring to what other form of political action can overcome the limitations that the fight for wages may have.

JIC: I'm going to dodge the question. I think it's useful to bring up something I suppose I've already mentioned, which is the argument Marx makes in the lecture published as " *Wages, Price and Profit,*" a response to a question posed within the working-class organization. If I remember correctly, it was someone named Weston—I'm not familiar with the specific argument—but I infer from Marx's response that the person argued that every time workers achieve a wage increase, capitalists raise prices and negate that wage increase. Therefore, this person's conclusion was: fighting for wage increases, in defense of wages, is useless; the only viable option is the immediate struggle to overcome the capitalist mode of production; annihilating it is the only thing that makes sense. Union struggles are pointless. It's important to remember that this was in mid-19th-century England, where a significant part of the English working class was focused on unionization. So, it all had significant implications. Then, Marx gave a very detailed and lengthy response (I don't know if it was a single exchange that made the whole point or if it was more than one meeting) stating the following.

First, he develops the idea that no one can raise prices arbitrarily, that prices are determined by external factors. He elaborates on the value of commodities; he doesn't yet differentiate (I think I mentioned this last time) between the value of

labor power and the value of labor. He still speaks of the value of labor, saying—I'm not sure if it's there or elsewhere—that if capitalists could raise prices at will, then why would they be content with a 10% increase when they could raise them by 20% or 30%? To suggest such an increase is to ignore the laws governing the determination of the value of commodities. That's why he lays out the entire foundation by elaborating on the determinants of value. Then, he says: the assertion that when workers achieve a wage increase they lose it because capitalists raise prices is merely superficial.

What can workers achieve by fighting to defend their wages under the capitalist mode of production? Marx argues that the only thing they can achieve is selling their labor power for its value. But the very act of selling labor power for its value takes shape through the workers' actions in defense of their wages. Consequently, contrary to the argument that union struggle is pointless because every gain is lost, Marx argues that workers will achieve nothing more than selling their labor power for its value. But to sell their labor power for its value, they cannot stop fighting. If they don't fight, they won't even be able to sell that labor power for its value. So, first of all, we have these determining factors.

But I'd like to clarify something Alejandro said. What we observed were three movements in which the value of labor power—unless there are changes in the productive attributes of the workers (and in what capital needs its workers to consume in order to have labor power)—unless there is a change linked to an increase in the intensity of labor, or changes in the length of the working day… All of the things we saw in the last or penultimate chapter of the previous section, the one on wages—will necessarily tend to happen. Just as the productivity of labor in general increases… We saw that it is a necessity for each individual capitalist to increase the productivity of their own workers in order to compete with other capitalists. It is a matter of life or death to advance this increase in labor productivity, regardless of what is produced, whether directly or indirectly, the means of subsistence for the workers or other commodities. But the value of the universe of commodities has a sustained tendency for its unit value to decrease. Therefore, the wage as the price of labor power, under the guise of being the price of labor, insofar as it contains value substance, will necessarily have to exhibit a tendency, a decreasing movement, unless these other determinations that I mentioned and that I believe we saw at a certain stage of development intervene.

This decline in the value of labor power is partly offset throughout history by the shortening of the working day, which is associated with increased labor intensity—the increase in the quantity of use values that the working-class family needs to consume to produce a workforce with the productive attributes demanded by capital. But the general principle is that the value of labor power necessarily tends to decrease. Now, this would imply that the price, the wage, would also have to decrease. And that's where we see this movement: if we consider that the material needs for reproducing labor power are always the same, what we'll find is that the value of that basket of use values will decrease, but the basket itself will not. Consequently, if the value decreases, the immediate consequence will be a decrease in the price of the basket, but the basket itself will remain the same. Therefore, the real wage will be preserved. But the nominal wage

has to go down, and the lowering of the nominal wage, especially the more the increase in labor productivity accelerates, the more conflictive the need to nominally lower the wage becomes for the relationship between capitalists and workers, accompanying the decrease in the value of labor power.

What Marx was proposing refers to piece-rate wages, where productivity increases while wages decrease, creating a conflict between the worker and the capitalist. The development of the capitalist mode of production has taken a form in which this dynamic exists, but it is diluted in its manifestation. If gold were to circulate as money, this dilution would occur if the productivity of the labor that produces gold grew at the same rate as the productivity of the labor that produces the means of subsistence for workers, directly or indirectly—which would imply the overall productivity of labor. This would be the condition if gold were to circulate: that both productivities would grow in parallel, so that the unit value of the basket of commodities and of each unit of gold would fall, and the exchange ratio would remain unchanged. The exchange value of the basket, which is increasingly less valuable, expressed in gold that is also increasingly less valuable, would remain the same: 1 basket = 1 ounce of gold, even though the value contained in that basket and the value contained in the ounce of gold are becoming smaller and smaller. But the gold does not circulate. And there is no indication that the productivity of the labor that produces gold can grow at the same rate as the productivity of labor in general.

And so, what we have is the substitution of gold with tokens of value. The way to conceal the decline in the value of labor power is for these tokens of value to lose their unitary capacity to represent value in the same proportion as the value of the basket that determines the value of labor power decreases. Now, how do we reduce the capacity of these tokens of value to represent value? By putting more tokens of value into circulation, accompanying the increase in labor productivity with a multiplication of these tokens.

I also made the clarification: when one considers the forms of bank money, it's not simply the quantity of value signs; it's value signs plus bank money, which comes through the expansion of credit, something that hasn't appeared so far. And that, in the overall movement, could, from the perspective of the unity of capital's movement, mask the decline in the value of labor power because workers continue to buy the same things: nominal prices are the same, even though the value of labor power is decreasing. But for that to happen, the one who has the power to add, to issue value signs, to accelerate the movement of bank money or multiply the expansion of bank credit, is the state. What then becomes more complex is where it puts them, because how does it do it? If it adds value signs, it simply has to give them to someone. And here, too, the expansion of bank money plays a central role, which can be distributed within society more or less massively.

In turn, and independently of the entire movement of the value of labor power, the state, as the representative of the total capital of society, can also force labor power to be sold below its value by introducing more signs of value into circulation than existed up to that point, given the mass of value circulating at any given time. And so, what it can achieve in this process of capital valorization, whose political

representative is the state, is that labor power is sold below its value without lowering nominal wages. It can even raise nominal wages and cause wages to fall… not only […] but also force labor power to be sold below its value, which, if it was previously sold at its value, means that workers can no longer afford the basket of commodities they used to buy. Therefore, the struggle for wages is the struggle surrounding these determinations of the sale of labor power at its value.

Regarding what transcends this struggle, it is the expression of the contradiction between the universal worker and the universal capitalist within the unity of the class struggle. What does the working class do in this movement? This is what one must consider above all else. First, the working class, the universal worker, is a universal unity, but it has forms; it is fragmented or takes shape under national forms, national divisions. Up to this point, states are national. And the private nature of labor manifests itself in national fragmentation, in the fragmentation of sectors… a whole series of fragmentations. And what one must never forget is that the simplest relationship in the capitalist mode of production is not the relationship of solidarity, but the relationship of competition. And as a manifestation of this relationship of competition, what will happen is that the workers who are left behind by the various fragmentations of capital are tied in their immediate reproduction to the reproduction of that capital to which they sell their labor power. And so, when one asks about the forms of political action of the working class, one cannot help but wonder what happens with the process, with the movement… now we are going to enter into accumulation, I am going to use the expression now: with the accumulation of that capital to which the immediate reproduction of the life of these workers is linked.

And then these determinations emerge. I want to leave some of this for when we finish because we're going to reach a point where I'd like to address the condition of the working class as a revolutionary subject. So, the answer to this question of what else can be done… But I will mention something we've already looked at. We have before us, in what we've been discussing, several contradictions inherent in the capitalist mode of production, in what we already know about the capitalist mode of production. I'll take this opportunity to bring it up because that's what I was going to start this next section with.

We have a contradiction related to the process we've been developing with our understanding, which concerns why, if we started by looking at capital in the circulation process, M-C-D', and it appeared to be a simple value that increased in value, why did it appear that way? When we examined it further, upon entering the production process, we clearly saw that it's not a simple value that increases in value. Part of that value, the variable capital invested in the purchase of labor power, is capable of increasing in value, while the other part, invested in the purchase of means of production, is inert. But it's not only inert; what we then saw in the development of this contradiction was that constant capital, when invested in raw materials, had to grow faster than variable capital due to the increase in labor productivity. And then, with machinery, we saw that constant capital had to grow by consuming variable capital as a source of increased labor productivity. So, we have this situation we've been discussing up to this point.

Now, in this section, we'll take the development of this contradiction a step further. We already have a contradiction: when we first looked at the movement of capital, the first thing we saw was the movement of individual capital (M-C-M'). When we continued to look at it in production, it was still this individual capital. But when we looked at the length of the working day, which we considered in relation to capital's need for surplus labor power… Up to that point, we saw the movement of individual capital and viewed it as the subject of its own valorization: social production is set in motion with the immediate aim of multiplying the capacity to initiate that production as something that cannot be controlled, and the concrete form this takes is the multiplication of capital. But when we looked at the length of the working day, what we saw is that the subject is not individual capital. Rather, the subject of this movement is the *total capital* of society, which is the bearer of the unity of the process of social metabolism. When we examine this determination, we are confronted with the contradiction that the subject is the total capital of society, but at the same time is *subject* to the movement of individual capitals, which we did not see as having the necessary unity when they are in power; they lack something that allows them to govern their valorization process by recognizing themselves as organs of the total capital of society. And then we have this other contradiction.

These two contradictions define the scope of the analysis we've been developing. But there's another contradiction, one that has, so to speak, a different character. And that contradiction is what we've been observing in the socialization of private labor. It's still developing, but it has been appearing increasingly widespread. And this growing socialization of private labor involves an increasingly intense, conscious, scientific organization—that is to say, based on an objective foundation—of the social production process. And we went beyond Marx's analysis and asked ourselves who is the human subject capable of this development based on scientific consciousness, which is essentially a growing socialization of private labor. And if what characterizes the capitalist mode of production is private labor, then a growing socialization of private labor is an abolition of private labor within the capitalist mode of production itself. It's a development of overcoming the character of social labor performed privately within social labor performed privately. And if this socialization, for reasons that are not yet apparent or that we haven't yet explored, entails the need to transcend the private nature of labor—which means the impossibility of establishing an immediate unity between social production and consumption—then the subject of the full development of this socialization, if it also has the power to overcome the capitalist mode of production, is the human subject responsible for developing the socialization of private labor. And the subject responsible for the material perspective of the process, which is what we have seen so far, is the working class.

And then, the condition of the working class as a historical subject emerges. But what we also saw is that this historical subject advances in its freedom because it develops an objective understanding of itself as a form of the development of its alienation within capital. And what we saw is that what is characteristic of the capitalist mode of production is (in simple terms) barbarism, brutality in the process of the development of human life. And that everything that occurs in the capitalist mode of production, which advances toward the socialization of private

labor, is always at the expense of the working class. And so, here we have the working class developing the productive forces of social labor, developing the contradiction of the socialization of private labor, at its own expense.

Well, all that preamble was to say that this is what's at stake regarding the forms of political action of the working class that transcend the simple question; it's embedded within it, it's not separate, because we've seen all the transformations, what they imply for the worker, what the transformation of a part of the working population into surplus for the general social relation itself implies… All this is what one has to keep in mind when asking, beyond the struggle for wages, what is there? Well, this is what there is. […]

Ivan: Just one very small thing, Juan, that I still have a question about. The whole process you were describing earlier regarding monetary issuance, in the most general terms you're outlining, would be a process that unfolds without the phenomenon of price inflation.

JIC: It can develop without price inflation. What actually happens is a decrease in value that is hidden within a price that remains nominally constant.

Ivan: Because it lowers the value of all commodities, including labor power, that would be the… I mean, inflation doesn't necessarily have to play a role in that process, right?

JIC: No. If the price of the commodities that make up the basket and the price of labor power were to move in parallel, it would have no effect other than to mask the fact that the value of labor power is decreasing. But for workers, the decrease in the value of labor power is irrelevant, because they continue to buy the same mass of use values as before. Inflation in this scenario arises when more signs of value are added than the increase in labor productivity. Because then, yes, there is a price increase. The sign of value has lost more capacity to represent value than the decrease in the value of commodities, and consequently, the prices of commodities measured in signs of value will rise. And now, if this continues over time and a larger proportion of signs of value continues to be added relative to the increase in labor productivity, the prices of commodities measured in signs of value will continue to rise.

Ivan: Perfect. I had a question because I think it's very typical of this country that when you hear "monetary issuance," you immediately think of inflation. That image had been lingering in my mind, but at the same time I was thinking: no, inflation doesn't necessarily have to play a role here; the process is different. So, I needed to ask you to confirm.

JIC: Yes. What the concrete movement in the historical process, at least since the crisis of the 1930s, shows is that everywhere states have added more signs of value, more bank money, than corresponded to the general increase in labor productivity. From the perspective of capital, especially the nation-state, this can have several effects that benefit capital. If this has a measure... Marx says regarding these matters that all measures are lost, but we have already seen that a great deal

of time passes before all measures are lost, and a phenomenon can occur sustained and to a very high degree. But one of the things it does is produce, from the perspective of the antagonistic relationship between capital and the working class, that there is an increase in wages, but this wage increase does not entail an increase in the mass of use values. All it does is compensate for the loss that wages would have suffered if the increase had not occurred. So, the struggle to increase the value of labor power, one could say, becomes diluted in a struggle that, in this case, can only do so much more than increase the value of labor power, [...] in the sense that there are more use values, and all that can be done is fight to prevent the loss of the use values being received. And in that, the fighting capacity of the working class is consumed.

On the other hand, all these nation-states are debtors and (this is far from what we've seen so far) they have to pay interest on their debts. And if they allow the value of commodities and services to lose a little more than it should relative to the increase in labor productivity, they absorb part of the interest costs. While in some places it's only a portion, in Argentina, historically, for many years the real interest rate has remained negative. And that's a process of appropriating social wealth by some at the expense of others. But we'll look at that later.
Not only does the state, as the representative of the total capital of society, save a portion of the interest it has to pay on this basis, but it is not usually the same social subjects who provide the capital they lend at interest and those who receive the loan.

Under general conditions, then, all the movements corresponding to the cyclical movements of accumulation, crises, and so on appear. But in the overall movement, the capital involved in production, commerce, and other activities—capital that is active—is borrowing. Consequently, the fact that the interest rate is not as high as it seems, or is even negative, implies a flow of wealth from the lenders. And the lenders of borrowed capital, when one takes the case of Argentina in particular, historically were the landowners. But today, the main lender of borrowed capital in Argentina—the exact figures would have to be calculated—is the working class through pension funds, which are being systematically eroded. And so, this is another way in which it appears to be selling at its value, closer to its value, for whatever reason, but in reality, the movement over time reveals that it is being sold below value, that it cannot be reproduced under normal conditions. So that also plays a part in why there was always some nominal price increase, consequently, because more signs of value and more bank money were added than overall labor productivity had increased.

The other thing I wanted to clarify regarding this is that one has to differentiate between the mechanism and the reasons why the mechanism is set in motion, as well as the ways in which the mechanism is set in motion. You can't conflate the two. The mechanism is this: there are more signs of value in circulation than correspond to the increase in labor productivity, and the result will be this. Now, why in a national process of capital accumulation—I'll take the Argentine case—is inflation not a "misfortune," an accident? Inflation is the norm in this national process of capital accumulation. And that requires a different kind of explanation. That's not the mechanism; it's the reason why the mechanism is continually set in

motion. Without going into further detail, it's a form of appropriation of social wealth. So one has to explain why in certain national contexts social wealth is appropriated in one way and why in others it's appropriated in a different way; what kind of social wealth we're talking about, what the history of this national process of capital accumulation is, and so on.

Javiera: Hi, Juan. I have a question about something you briefly mentioned regarding solidarity. You said that the simplest relationship in the capitalist mode of production is competition, not solidarity. And that reminded me of something Iván said, that solidarity is a developed form of competition in the sense that it arises from the need for labor power to be sold for its value. Like that idea, more developed, but because it emerges from the class struggle.

JIC: That's what we saw when we looked at the development of the concrete form that social relations take, where solidarity is the necessary form that competition takes as an expression of a contradictory need of society's total capital. That's why competition is the simplest relationship, and solidarity is a concrete form of competition.

§7. THE PROCESS OF CAPITAL ACCUMULATION

Chapter XXI. Simple Reproduction

We started with circulation, looking *at Capital.* Chapter IV began with circulation. And then we encountered determinations that, we could say, sprang from circulation. We said: in circulation, commodities are bought at their value, they are sold at their value. How is it possible for there to be more value? Well, there has to be a commodity whose use-value for the buyer is that it produces more value than it costs. Since value is the materialization of socially necessary abstract labor performed privately, then the capacity to work has to appear in circulation as a commodity. So, what were the conditions? The doubly free worker. He has to have value: well, what is the determination? What is the condition? The value of the commodities that the working-class family… etc.

In Chapter V, we delved into the production process, and the entire development of the section on absolute and relative surplus value took place within the production process. What we observed was how what happens within it changes, what the development of the production process reveals to us. But since we've already seen everything that happens within the production process, it seems appropriate at this point to return to circulation. Because we stated: valorization can only occur within the circulation process, and at the same time, it cannot occur simply within the circulation process. And in fact, when we entered the section on wages [§6], what happened was that we returned to the circulation process. That's where the price of labor appeared: it's a phenomenon inherent to circulation, not production. So it would seem that we are now fully immersed in circulation. However, two things will happen.

When we began by examining commodities in Chapter I, they appeared to us in the production process itself as mere products of labor. But from Chapter V onward, we learned that they were not mere products of labor, that commodities in the capitalist mode of production are products of capital. We recognize them in the production process as products of capital. But in circulation, we never consider them as products of capital. We see the price of labor power as a product of capital, but not of commodities. And so it might seem that what we need to do is examine commodities as products of alienated labor in capital, not in production, but in circulation. But in reality, when we arrive at the movement of D—M $^{(FT+MMPP)}$—D', the production process, valorized commodity capital, multiplied money… what we find is that in the end we are at the same starting point as we were in the cycle of capital.

Up to this point, we've seen how surplus value arises from capital. But before we can examine what happens to that capital in circulation, we're faced with the question of what occurs from the end of one cycle to the beginning of the next. What we're going to look at, then, is what Marx refers to as the process of capital reproduction. We're going to confront what appeared here as the preconditions for the beginning of each cycle of capital valorization: the capitalist had their capital;

the worker had their labor power. What we need to look at now is how the capitalist's possession of capital and the worker's possession of labor power are reproduced. And so, what we're going to encounter first and foremost is the process of reproduction.

In this process of reproduction, it is not simply the movement of individual capital that is at stake. What is at stake is the movement of capital itself, the unity of the social production and consumption process. Because the availability of labor power and means of production for the various productive activities of society, so that society can reproduce its production process, is what is at stake is the unity of the overall movement. And to examine this unity, Marx makes a purely formal distinction in the unfolding of this process. In this formal distinction, he differentiates between a reproduction where the new cycle that begins is identical to the cycle that ends, from which it emerges, where the opening of the next cycle is identical to the one that generated it, the opening of the previous one; and the process in which the multiplication of value is reflected in an increase in the mass of available capital, and consequently in an increase in the mass of social production. And there he distinguishes between simple reproduction and reproduction on an expanded scale, or the accumulation of capital.

To be able to look at a simple reproduction. What he will raise several times in the development is that it is a methodological question regarding an analytical process. If one already knows the simple motion, the amplified motion is nothing more than the simple motion plus a difference. And so, if one first knows the simple motion, when faced with the amplified one, one is faced with something that, in a substantial part, one already knows, and the only problem one has is knowing what goes beyond that, not facing it again from scratch. And so he will structure this entire section on that basis.

There are two conditions for reproduction to be identical to itself. The first condition is that surplus value is eliminated as a source of production expansion; and consequently, we must forget that the purpose of capital's movement is not the production of use values for the capitalist's life, we must disregard the fact that the capitalist is not the subject, but merely the personification of that movement; the subject is capital. And in simple reproduction, what we will encounter is the capitalist consuming surplus value, so that there is no capacity to increase production, to change the scale of production. And the second issue at play here is that capital's own movement to increase labor productivity, which was governed by the production of relative surplus value, is excluded. And consequently, in this simple reproduction, there can be no change in the materiality of labor.

As the development progresses (I'm including this here for brevity), and Marx has fully explored all the determinants of simple reproduction, he will begin to examine expanded reproduction, how capital, now, truly accumulates. And within expanded reproduction, he will distinguish between the two determinants we've discussed here. First, there is simply surplus value, the new capital is generated under the same technical conditions as before; that is, absolute surplus value can only be extended, with more and more labor power being put to work, always under the same technical conditions. Only after this has been developed will he

examine the process of expanded reproduction based on the production of relative surplus value. So, we will continue to progress; these chapters will accompany that development.

What Marx proposes, as a way of separating these things, is this: here, society needs to reproduce itself, so it cannot stop producing. And so this is a process of continuous renewal of production; that's why it's a process of reproduction. In order to reproduce itself *under any conditions,* replenishing itself—which leads to something characteristic of simple reproduction—it needs to produce the same thing it has just consumed or will consume in this production. And to be able to carry out this material reproduction, it needs to have means of production that will enter into the process of productive consumption, which is distinct from the process of material consumption. And what I'm going to propose is this: this mass of means of production is produced, which will enter into productive consumption, which replenishes the means of production. In this production cycle, the means of production produced in the previous production cycle will be consumed, and those used will come to replace them. And in general, the means of production are separate from the means of subsistence; materially, they are different things. Consequently, we have, on the one hand, the replenishment of this productive consumption, and on the other hand, the reproduction of this individual consumption. Okay. Did anyone want to bring anything up?

Javiera: Yes, Juan. Before what you're discussing now, which is individual consumption, you raise something that left me wondering. I imagine it's a prelude to what comes later in the final chapters about primitive accumulation, but without going into that, I don't quite understand the point of mentioning primitive accumulation a little before that point. Because what I understood is something like: this process began at some point, the process of simple reproduction. So then you mention this idea of primitive accumulation. I don't know if we can revisit that.

JIC: It comes a little bit later than what I wanted...

Javiera: Okay, you go ahead, Juan.

JIC: It seems I've swallowed it whole, I'll take it anyway. This is a process of reproduction; it must have started somewhere. Only once, the first time, was it not a process of reproduction. There's a point at which the capital that is set in motion in this new cycle is not the product of the capital that was in motion in the previous cycle. So that's the reference that will be made to primitive accumulation. There's a starting point, but then what will appear is: that doesn't matter up to this point; up to this point, what matters is the reproduction of this movement. But that's why a bit comes later; I'll get to that now. Because it starts there, it flows toward primitive accumulation, already showing that even in the process of simple reproduction, the worker is paid with the product of his own labor.

Because when one simply looked at the cycle of capital in its valorization within the production process, one argument that had been invoked and made clear was that everyone knows the worker is paid for their labor power after they have worked, and that therefore the worker extends credit to the capitalist. But to

examine the movement of capital in its purest form, the situation would be reversed: it would be considered that the capitalist pays the worker the value of their labor power in advance, thus revealing the movement of variable capital. And here, the first thing Marx will demonstrate is how reproduction will reveal that the worker, even under the appearance of receiving an advance on the value of their labor power, is paid with the product of their own labor.

And there, the first step he's going to take in this is to propose that: well, the worker is simply paid what was previously set aside in order to examine the movement of capital in its valorization cycle in its purest form, which is that labor power is paid once the worker has produced the commodities and the commodities have been realized, have been converted into money, and therefore, when the worker receives that money, that portion of the value of the commodity sold is paid to him after the fact. In reality, it is the product of the new labor performed by the worker that he will receive as payment for the labor power that he has already consumed, that he has already applied productively. And so, what emerges up to this point is simply the evidence, beyond examining the reproduction cycle, that even looking at the production cycle, where the worker is paid after having sold and transformed the product of their own labor into money, and therefore the value they receive is a value they themselves have produced, this is not enough to dispel the appearance that they are being paid with capital that is not the product of their own labor. This appearance persists in production processes where, from the moment the capital is disbursed or the production cycle begins until that capital returns in its current form, the time it takes to pay for labor power is longer than the cycle itself.

Let me try to put it simply: the bakery worker is clearly paid his wages with the value he himself produced in several production cycles, and only then does he receive his salary. But (I'll give an example that's the opposite) the worker on a forestry plantation receives his wages many times over before the product of his labor has reached the status of use-value, has been sold, and has become money. So, this idea that the worker is clearly paid with the product of his own labor is valid for a substantial part of social production, but it's not absolutely true; it doesn't completely dispel the notion because there are other workers for whom this doesn't happen.

Alejandro: My question... It was entirely related to the branch of production in which that capital operates in the example you mentioned, and how in each branch that capital has a shorter or longer turnover cycle. But how would the specific capital operating in a branch with a longer cycle solve the problem of having to pay the workforce several times before it has sold the specific commodity it produces? Credit plays a role there, right?

JIC: But that's beside the point, because someone has to provide the capital. If there's credit, someone provides the capital. Here we're setting aside... Marx, at the beginning of the chapter, states: all the concrete forms that surplus value takes, the form that capital takes, which is capital that's on credit and so on, all of that is left out. It doesn't matter who provides it, but someone provides it. It seems as if, in fact, the bakery owner doesn't need to have the capital to pay wages. But the

forestry owner does need to have the capital to pay wages. I've taken forestry as an example, but there are countless branches of social production with wages paid every two weeks. I don't know if the complete production of a more or less complex machine… it's possible that it takes more than fifteen days, the production of a ship takes more than fifteen days.

Alejandro: The branches, for example, of military production. Specifically, I've been learning about the war in Ukraine regarding Russia's aircraft development, and these are projects that have been in the works for 15-20 years.

JIC: They have years of development. Ivan, I don't know what you wanted to suggest.

Ivan: What I wanted to ask you, thinking about the example of the ship, which obviously takes much longer than a month or years, is this: Obviously, the capitalist has to pay wages, that is, he has to consume capital to pay for labor, but that's in the first production cycle. In the second cycle, the second ship that's produced is, in a way, entirely produced with the workers' own money.

JIC: Well, but that's why we're going step by step [...], because what appeared here was in its most immediate form, which is the fact that the capitalist's money functions as a means of payment with what the worker pays him, and then a first piece of evidence appears: that it's not universal. There's still more to the discussion. So, let's continue following that discussion. Where, even in the case of the ship, this happens: the worker in the immediate example is clearly paid immediately with the product of his own labor, because he's the one who produced the bread that's being sold and with which he's being paid. In the case of the ship, it could be the same worker or it could be another worker. And he's being paid, in the best-case scenario, with the product of his own previous labor. Which, we'll see now, comes to replace something that isn't... there's a determination that goes beyond this.

It remains a formal determination, but one that goes beyond simply stating that the capital the capitalist uses to pay for labor is the product of the workers' previous labor. So, we're following its unfolding. It starts with something visible, but just as it's visible, it can immediately be contrasted with a situation where that visibility is lacking. Is that clear? Then let's continue following the movement, which will lead us to the points Alejandro wants to summarize in the talk on November 7th. Let's continue.

And now, on the basis that he is paid simply with the product of his own labor, with the value produced by the worker, what will appear is that, since the worker also produced surplus value, he produces both his own consumption fund and the capitalist's consumption fund. Marx will develop this argument to show or unfold this situation in which not only does the worker produce variable capital (which he took to heart with the evidence of payment schedules), but all of the capitalist's capital, not just variable capital, is a product of the worker's labor.

And then, it will raise the question of what the means of subsistence fund is, which allows the reproduction of society's life process because it sustains the labor power engaged in production. And then, what emerges is that this means of subsistence fund passes through the hands of the capitalist in the form of the return of their capital, and the substitution of the capital they held in the form of labor power for the capital they now hold as the value of their commodities. And what will become evident in this process of reproduction, as a movement, is that the totality of... [...] [263]The mass of the values of the means of subsistence that the working population will consume appears for the first time in the movement as a part of the capitalist's capital value, along with surplus value, and only then passes into the hands of the working population in the form of the value of labor power. Let me try to put it more clearly.

When we look at this initial manifestation—because the worker is paid after their product has already been converted into money—the movement goes beyond that. It goes further, because if it has been converted into money that is not in the worker's hands, the product of their labor now has the material form of the mass of commodities produced. And the value of that mass of commodities produced is the value of what will serve to replace the value of labor power and what will be surplus value. Where did the value come from that will replace labor power, not to pay the worker who made this production, so that the worker can reproduce the labor power they expended, but so that they can produce their new labor power that will be consumed in the next production cycle? That is where, when we move to the next production cycle, it becomes evident that the value materialized in the means of subsistence that the workers will consume is the product that those same workers have previously produced. Is that clear?

Alejandro: I think I understood something, but I'm not sure if I'm right. It's this idea that the value that appears materialized in these means of subsistence that are purchased with wages is also produced by the very exercise of labor power, let's say, by the workers.

JIC: What I want to try to establish is this. Here, one has to look, in the simplest terms, at two production cycles. When one looked at an isolated production cycle, it might immediately appear that the worker was paid with the value he himself had produced, on the condition that he was paid later, that the money the worker received was the realization of the value he had just produced. Only in that case was this evident. Now: when one considers that the worker produced a mass of value that is materialized in the commodity, and is materialized together with the surplus value, the worker has not yet received that mass of value (let's put it that way): he will receive it so that he is in a position to enter the next stage of the production process.

When we look at these two linked processes, what we see is this: what was the product of labor in the first cycle now appears as the condition for the worker to be able to work in the next cycle. Now, even though the worker is being paid in advance for their labor power, they are being given the use values they themselves

[263]It self-corrects later.

produced in the previous cycle. The product of their own labor—regardless of whether they are paid afterward or not—is what will allow them to have the labor power to function in the following cycle. Therefore, in this process, the financing conditions—to use the term—of the commodity and the wage are irrelevant, as is the duration of the production process: it becomes clear that the workers who have to replenish their labor power and return to work are being given, in exchange for the availability of that labor power to be used in the second cycle, what was already the product of their labor in the previous cycle. They are confronted as if their labor power were someone else's property, because now that mass of value that the workers produced is in the hands of the capitalists. It is presented to them as someone else's property, someone who will buy back their labor power with the value they produced in the previous cycle. The product of their labor in a cycle, in the form of produced value, is what confronts them as variable capital in the pocket of the capitalist who will buy their labor power. I don't know if that's clearer now.

Alejandro: Yes. In fact, that would be a basis for why, when Chapter IV and Value were started, this could be abstracted from salary as a means of payment and the phenomenon analyzed in its pure form, right? Would that be a basis or would some further mediation be necessary?

JIC: Let's see... Well, I would have to answer yes and no. Because one is looking at the movement of an individual capital in Chapter V, and it doesn't simply correspond to the movement of individual capital. So it wouldn't be so immediate... Because one could look at it as: well, here the reason for what was assumed in Chapter V is being presented. And here it is being presented, here it is being shown what it is, but it's not so immediately related. That would certainly be something to think about. There are things that would lead me to say yes, this idea that something that was assumed is being presented, the determination is being unfolded, but the link isn't so immediate.

Javiera: Following this example from the forestry sector, then you're going back to what you just said. It doesn't matter if the product, for example eucalyptus, takes ten years to produce; this rotation period is irrelevant because ultimately what the workers producing in the forestry sector are being paid for is what they already produced in the previous eucalyptus cycle, right?

JIC: It's not about the immediate issue; it's about the general movement of capital. When a more complex situation arises later, what will appear is: up to this point, as facts, simple reproduction... Let's put it this way: this will eventually lead to the unfolding of a movement, but up to this point, it has the character of an analytical process. So, the analysis first looks at something that is immediately apparent, an immediate manifestation, but that immediate manifestation is associated with individual situations. Which is whether the worker is paid before, after, or even before the sale. But the step to which this immediate thing leads is that from the immediate—from saying: well, they are paid with the value they produced—what follows is: well, but they not only produced the value with which they are paid, but they also produced the mass of new value that exists. This mass of new value corresponds, in the part of the value of total labor power, to what will

appear as the "fund of means of subsistence" necessary for the reproduction of the social life process. Now it must be viewed as a fund of means of subsistence; it is no longer the product of this worker being paid with the product of his labor. Now it is the total value of labor power, which is a new value generated by the workers' previous labor materialized in the mass of newly produced means of subsistence, and which passes into the hands of the capitalist.

Well, that's already clear: this mass of value is the value produced by the labor of the mass of workers. Now, what are they going to receive? They're going to receive this mass of value and they're going to buy the means of subsistence that they themselves produced. And with these means of subsistence that they themselves produced, they're going to reproduce their labor power. With what will they have reproduced their labor power? With the product of their own labor. What reappears in the value of their labor power? The value they have produced. Up to this point, constant capital is excluded; now it will appear. So, now it's no longer a question of whether they are paid sooner or later: now, in the unity of the movement, the labor power of the workers is purchased by capital with the previous product of the workers' labor.

Since there is simple reproduction here, the workers are always the same: there are no new workers here; at most, there would be a worker who comes to replace an old worker who died. But strictly speaking, in simple terms, there are no new workers here. So, the workers as a whole are paid with the product of their own labor. This is what is at stake here. So, the question of whether this particular worker was paid after the commodity they produced was sold, or before it was sold, has now disappeared from the discussion, from the issue. Now, in this simple reproduction process, what we have is that the mass of use values, of means of subsistence that the mass of workers will buy, is a product of the mass of workers. And therefore, that variable capital, in reproduction, is the product of reproduction, except for the first time.

Since variable capital is consumed, it disappears, it is not preserved. Assuming this original accumulation, that original capital of the capitalist functioned the first time. But on that first occasion, that capital disappeared. The labor power in which it had materialized disappeared, and that mass of value no longer exists. Now there is a new value created by the labor of the workers that comes to occupy the place of the variable capital that had “genuinely” come from the capitalist's original pocket. Now what comes from the capitalist's pocket to buy labor power is always a value that the workers themselves have produced. Materially, that original capital was annihilated. It no longer exists. Do you understand?

Javiera: But where does that original capital come from?

JIC: It doesn't matter. What he's saying is that, except for the first time, its origin is unknown. It's not the product of the workers' own labor because their labor power had to be purchased. That time, it wasn't the product of the workers' previous labor. As that variable capital was put into operation, it was annihilated, and now there's a new mass of value that is the product of these workers' labor,

which replenished that capital. But that original capital is no longer there; from now on, it's always the product of the workers' labor. Is it? I'm terribly confused.

Alejandro: Juan, here there is a kind of development that also in my opinion answers what Marx had developed between chapters… it could be V and VI, regarding the capitalist, who appeared ideologically as a social benefactor, who in reality is not a benefactor at all, but rather that pocket that appears buying the power of labor is a product of the worker's own work.

JIC: What's implicit here—and Marx doesn't explicitly state this, but he will later—are the appearances of the buying and selling of labor power in circulation, and the content of those appearances, which is: under the guise of the exchange of equivalents, of equality, what's really hidden is the exploitation of the worker by capital. Something we've already addressed. And it appears… I'm not going to relate it to a discussion I have with Néstor Laverne because we have it more or less continuously… Since there are two of us and I don't remember his middle name, I'll say father and son, "the old man" and "the young man." This is the young man. And he maintains that what I'm proposing, that this appearance, becomes evident in the section on absolute surplus value. He says that it only becomes evident when we finish developing what we're looking at here, where the capitalist's capital comes from. My point of view is that what will be revealed here is the underlying reality: what private property, which governs the capitalist mode of production, truly is. That exploitation is already evident in production.

When Marx makes these observations you mention, Alejandro, the question arises: to what extent is he anticipating things, and to what extent are the elements already in place to make this kind of argument? Because it appears several times that there's a kind of anticipation of movements that will only later fully unfold and be established. So I would have to revisit the issue of the beneficiary. Because it appears that what actually pays the worker is returned to him—the very thing the worker produced. Is this relevant when one is looking at the process of capital production, or when one is looking at the process of capital reproduction? And that would be the observation: whether at that point the determinations that allow for this argument are fully present, or whether there is a certain anticipation of those determinations.

[II]

We started by looking at simple reproduction, which implies that the capitalist spends surplus value on their individual consumption. And then we were looking at what we see in the reproduction process regarding the source of the capitalist's capital. And we looked at variable capital, with what I was saying earlier: since variable capital is consumed each time labor power is put into operation, labor power is used up, that value disappears, and labor power creates a new value that comes to replace the original value. And if the capitalist's capital originally sprang from something external to the process of capital reproduction, now, once the first production cycle has passed, the capitalist's variable capital is a product of the workers' labor and is renewed. In each cycle of capital reproduction, the previous variable capital is consumed, and now there is new labor from the workers that comes to replace that variable capital. That's what we had up to that point. Is there anything to add? Then we continue.

Marx goes a step further, saying: but this is not all that makes the capitalist's capital become accumulated surplus value. To reproduce his natural life, the capitalist needs to expend a certain mass of value. Since it is simple reproduction, this mass of value is equivalent to surplus value. And here, in reality, the analysis that has been done contains a further determination that is not simply presented in Marx's explanation. Because what he proposes is: well, the capitalist consumes this surplus value produced by the workers and replaces the capital. […] He says: if one divides the capitalist's original capital by the value of annual consumption, that gives you how many years it took for the original capitalist's capital to be replaced by surplus value. But this raises another question: whether the capitalist lives off the product of his own labor or his original wealth, or whether he lives off the gratuitous appropriation of surplus value that he makes from the workers. Because if one views it as the capitalist simply consuming the surplus value and replenishing the capital (leaving aside the variable capital component), the movement that Marx is proposing doesn't occur. The question at stake there is this: when does the capitalist live off the product of others' labor?

In the first year, if the capitalist lives off the product of others' labor from the outset, the surplus value is consumed, and the capital remains the original capital, not the product of the workers' labor. We already know that the variable capital is indeed the product of the workers' labor, but the constant capital simply recovered the value of its original constant capital and reinvested it. So, how does the capitalist live? If they live off the consumption of surplus value, it's clear they live off the product of others' labor. But if we consider that they live off the product of their own labor or the wealth they originally accumulated, then the explanation that Marx develops comes into play. Because what happens to the capitalist is that, since they don't produce value... It's argued that they don't produce value because they don't operate directly as a productive worker of value; the capitalist can never produce surplus value because they don't buy their own labor power. However, they can produce value if they operate productively from the perspective of producing use-value. But it's taken as if he's simply the one who lives off the surplus value.

Since he has to consume a certain amount of value to reproduce his life, he either lives off the labor of the workers or off the product of what appeared to be his own labor, the original capital. But if he lives off the product of his own labor, in the first year he consumed a portion of the original capital corresponding to the value of his consumption. And in order to put that capital back into production, he has to replace the portion he consumed, and since that portion corresponds to the value of surplus value, the only source he has to replace what he consumed is with surplus value. And so, his capital is now a portion of the original capital and a first portion of surplus value that became new capital. The second year comes, and he puts his capital back into production, and the same thing happens: he needs to consume. And he will either consume the surplus value of the workers or live off the product of what appears to be his own labor, and then he has to consume another portion of the original capital. And he has to replace it, which means he has to take the surplus value generated that year and incorporate it into his capital to replace this part. And now his capital has a remainder of the original capital and a part made up of the first surplus value, and now of the second surplus value that was accumulated. And so on until the capitalist has consumed his original capital; all his capital is now made up of accumulated surplus value, and effectively the capitalist only has for his individual consumption the surplus value produced by his workers.

So, in a certain sense, it's like a formal process, where the capitalist's original capital is formally replaced by accumulated surplus value. We'll see what happens beyond that later. What Marx argues here is that the capitalist's capital is made up of the product of other people's labor appropriated without compensation; it's accumulated surplus value. So, this determination, which I see as formal in nature, will appear. Furthermore, variable capital is the product of workers' *paid labor,* and what's being presented here is all capital as the product of workers' *unpaid labor.* In the next chapter, we'll see another step in the development, not of this formal transformation, but of a real transformation of the capitalist's capital into accumulated surplus value. Right, Aristides?

Aristides: I know we are dealing with general determinations, but the concept of original capital here, in terms of concrete forms, implies that the appearance of the first capitals comes from the old form of social organization, from capitals that have been able to move, even in an organizational form where the commodity is not the general relationship, but it is already present, and they were accumulating those capitals, and at some point in this development they have to make the leap to another form where they can generate surplus value and accumulate that capital.

JIC: That's not the origin one could attribute to this capital, for two reasons. First, because it doesn't actually ask about the origin. It says: there was once a starting point. At that starting point, capital couldn't have sprung from the labor of the workers because it's the first time their labor power is purchased to produce surplus value. It's abstracting from the historical origin; what emerges is: well, here we're going to see how this reproduces itself. But the first time it was already a given. The other way of looking at it has to do with what the capitalist lives off of. What did we know *before* capitalist production as the possibility of having money

available to then function as capital? The producer of commodities who sold their commodities and transformed them into money. And this is what later in the chapter on primitive accumulation, when he refers to the myth that the capitalist's original capital is the product of his own labor, which corresponds to when we look at the appearances of circulation and it appears to us that equality prevails because equivalents are exchanged, freedom because both are free individuals, and private property.

Marx doesn't specify it, but one can associate it with the prevalence of private property based on one's own labor, because that's the private property he discussed up to Chapter IV in Volume 1. The only private property that appeared in the first three chapters of *Capital* was private property based on labor. Here, that situation is implicit, which is why I add to Marx's explanation: "Well, if I divide the mass of capital by the mass of surplus value, I know in how many years the capitalist's capital was replaced by surplus value." This implies that the capitalist consumed their original capital, which came from their own labor, and now not only has their capital been entirely converted into accumulated surplus value, but they also live off the surplus value that will be generated. So, there's no elaboration on the origin of that capital; the only thing that's present is that it's not a product of the workers' labor. If one traces it back to simple commodity production, it would be a product of the capitalist's own labor. When we get to the chapter on primitive accumulation, we'll see references to this. So, there's no attempt to explain where that capital came from, only that it didn't come from the labor of the workers.

Aristides: That's fine. I mean, because there are a lot of people out there who bring up the chapter on primitive accumulation to try to explain historical stages where capitalism supposedly emerged, and all these discussions about America and the modes of production, etc. They cling to that very thing without taking into account the process that Marx is unfolding.

JIC: Let's leave that for when we get there. Because here it's openly presented as an analytical question: it's clear that the first time it happened, it couldn't have come from this, because if it did, it wouldn't be the first time. It came from somewhere, we don't care where. But what happens when this is repeated? It becomes accumulated surplus value.

Aristides: It's like when in Chapter IV the labor force appears as a given.

JIC: Exactly. It's about what the conditions are for this to happen. He even clarifies in Chapter IV that it's clear the producer being separated from their means of production cannot be a natural condition; it has to be the product of a historical process in which they have been separated from the means of production. But he says that here we're going to do the same thing as the capitalist: there's doubly free labor power, and then we have to explain where it came from. What matters to the capitalist is that there is this doubly free labor power, and we're going to take it in this condition, and then development will begin to emerge… where it came from, not yet, that's in the chapter on primitive accumulation, but what is this labor power, how is this labor power determined?

So, let's move on. The role of that development we just saw is that simple reproduction itself is already presenting us with this transformation, with this evidence of a (so to speak) qualitative change with respect to capital. Because when we looked at the production process, capital was the property of the capitalist, and it never appeared where the capitalist had obtained it from. Now, it appears what the process of it starting again implies. Now, although we are not seeing that capital accumulates, what we are seeing is that capital is accumulated surplus value, and consequently, it begins to appear that if we had already discussed how the first appearance of equivalent exchange conceals the exploitation of the worker by capital, now capitalist private property, which one could base on one's own labor, begins to appear based on the gratuitous appropriation of the product of another's labor.

What follows is a whole development in which Marx begins with what we've already seen: the process of productive consumption of labor power by the capitalist who purchased that labor power. But there is another consumption we referred to when we looked at the value of labor power, and now we're going to examine what happens in that process: the process of individual consumption by the worker to produce themselves. It's no longer the worker's labor power that belongs to the capitalist, and that labor power is embodied in the worker, but rather the process of the worker's personal life, the individual consumption the worker makes to reproduce themselves as a living subject. In a way, what we looked at before was what happens to the capitalist's individual consumption: they consume their original capital and have to replace it with accumulated surplus value. Now we'll look at what happens in the process of the worker's "private" life.

He's going to refer to the fact that when the working day was examined, the abuses that could arise from capital extending the workday were evident, as it encroached upon the worker's ability to consume the use values necessary to normally reproduce their labor power. But he says that this doesn't affect the essence of the process, it's not an abuse inherent to the capitalist production process; it was presented as a deviation from the normality of capitalist reproduction. And here I'm going to pause before following Marx's development of this point. What happens to the worker's individual consumption?

The worker's individual consumption process is simultaneously a production process: it is the production of a commodity—the worker's labor power. Therefore, when the worker consumes individually, what they are doing is reproducing this portion of capital, which will function as variable capital. Even though the worker is consuming for themselves, what is happening is that they are producing this commodity, which is their labor power. Like any producer of commodities, this labor power has no use-value for themselves; it must have use-value for the buyer. And so, what Marx will say is: if we look not at an isolated capitalist or an isolated worker, but at the capitalist class and the working class, and we look at the reproduction of the capitalist production process, what we will see is that the capitalist is converting a portion of their capital into labor power, and this is what will allow them to fully valorize their capital. And then he says: “Thus, within the limits of what is absolutely necessary,” insofar as it pertains to the value of labor power, “the individual consumption of the working class transforms the capital

paid in exchange for labor power back into a new labor power exploitable by capital," and therefore " *the individual consumption of the worker"* is a moment [264]"of the production and reproduction of capital [265]." This, which seems to occur outside the sphere of capital, which appears to be happening in the private sphere of the worker's personal life, is a movement of capital. And he expands on this, saying: "It does not matter that the worker carries out his individual consumption for his own benefit and not for the benefit of the capitalist [266]." It seems that he was pursuing a personal interest when he sold his labor power, and yet what his personal interest entails is the reproduction of capital—not of mere individual capital, but of the general unity of the movement of the reproduction of capital.

And so, it will continue to advance. And I would like to return to this point, in particular, because at the beginning we looked at many developments that appear within Marxism, and then we sort of stopped doing so, but it's worth revisiting here. But I'll elaborate first. It says: the consumption that the worker makes, from the point of view of capital, is only productive insofar as it reproduces labor power according to the needs of capital and puts it back in a condition to function. If the worker, for some reason, were to consume more use values than those necessary for their reproduction, that consumption, from the point of view of capital, is unproductive; it serves no purpose. And so, from the point of view of the worker, their individual consumption is unproductive for them, because all it does is reproduce it under the same conditions in which it existed. It says: "[…] it is only *productive for the capitalist and for the state,* since it reproduces the *productive forces of wealth for others."* [267]And so, the individual consumption of the worker is a moment in the movement of capital, the individual life of the worker outside the production process is a moment in the life of capital.

And what will emerge is the worker himself who, through his individual consumption, constantly renews the conditions for being exploited by capital. Marx will summarize it in these terms: "Therefore, from the social point of view, the working class," because it is not simply the individual worker, it is the working class and the capitalist class in the unity of this process of reproduction, "even outside the direct process of labor, is *an attribute* of capital, no more and no less than inanimate instruments. Even its individual consumption is, within certain limits," because of what is necessary to reproduce labor power, "[…] a mere factor in the process of the reproduction of capital [268]. "

The term in the FCE translation appears as "attribute," in Justo's translation, if I remember correctly, as an "element" of capital, and in Siglo XXI, as an "appendix." In my understanding, the term that best reflects the German word Marx uses (which can be translated in any of these ways) is "attribute": it belongs to capital. "Element" is closer, but "appendix" is something added to a main body, and it conveys the idea that it is not the movement of the main body. So, this is it: the

[264]The text says "factor".

[265]Marx, K. (1977: 481), *Capital,* Volume 1. Mexico City: FCE.

[266] Ibid. And Marx continues: "The fattening of working cattle is still a necessary factor in the production process because the cattle enjoy what they eat."

[267] Ibid., p. 482.

[268] Ibid.

worker in his human corporeality is a part of this social relation that has been inverted; the human being is no longer the immediate subject of the process of social metabolism, of which the human subject, the worker, is an attribute, a moment in this process, the object that serves the reproduction of this concrete subject, which is capital. And so, what we have here is that the appearance we found in the circulation (Marx doesn't explicitly state this, but it's clearly implied) regarding the buying and selling of labor power, that what prevails is self-interest, Bentham (as an expression of self-interest). And in reality, under the guise of the worker pursuing his self-interest, what he is actually doing is satisfying a need of capital: the reproduction of labor power, which is the source of capital valorization.

Marx goes further on this point, stating that the capitalist doesn't have to concern himself with this. Whether the worker consumes in order to reproduce the productive attributes that capital demands is a problem for the individual worker, because otherwise, he dies. And because he consumed, the means of subsistence disappeared, and he has no choice but to go and sell his labor power again. He then adds:

> The Roman slave was bound by chains to the will of his master; the wage laborer is subject to the iron fist of his employer by invisible threads. The constant change of employer and the *legal fiction* of the employment contract maintain the appearance of his free will.[269]

And here we encounter another appearance of circulation: that freedom reigns. The worker is free to sell his labor power to one capitalist or another, but he is not free not to sell his labor power; he is a forced laborer for the total capital of society, compelled to sell his labor power. He sold it, acquiring the means of subsistence that allowed him to reproduce himself; now he no longer has the means of subsistence, and the only way to regain access to them is by selling his labor power again. The legal fiction is that he is a free individual, under no obligation to sell his labor power, but if he does not sell his labor power, he has no way to restore his natural life. There had been some intervention…

Alejandro [Chat]: This is a contrast to what you state in the 1844 *Manuscripts,* right?

JIC: In what sense? To answer whether it's true or not from my point of view, I would need you to tell me what you're referring to.

Alejandro: Basically, it's about how the worker, upon leaving the production process, perceived freedom in his personal life, precisely in what would be his animalistic functions. That's the point I was referring to. Here it becomes clear that this appearance of freedom is actually alienation within the total capital of society.

JIC: It is. But to the worker, it appears as if they were indeed free from capital in their individual consumption. Because to the worker's consciousness, it appears in this form: that their will governs what they consume, and it remains hidden that their will is determined by capital's need for them to reproduce themselves with

[269] Ibid.

certain productive attributes. So, if they consume something that isn't necessary to reproduce their labor power with the attributes that capital demands, when they want to sell it, since it has no use value for the buyer because it lacks the qualitative conditions the buyer requires, they won't be able to sell it, just like any seller of commodities. And therefore, what their consciousness tells them is that they have to consume those use values that allow them to reproduce their labor power.

If going to the movies is among the necessary consumptions for reproducing one's labor power, one's will tells one: well, today I'm going to the movies. But one's will also tells one: yes, I have to go once a week (this belongs to another historical era). Now: if I feel like going to the movies every day and I've spent the money I should have spent on—let's put it in the near future—building my labor power, I'm going to sell it, and I don't have any labor power to sell. Or I needed to eat something to have physical strength, and I didn't eat it because I spent the money going to the movies; I don't have physical strength, my labor power isn't a use value for capital, and I'm left without a social relationship. I always come back to this in the end: the individual who is left without a social relationship is left unable to participate in social consumption, to reproduce their natural life, and they die.

So, from the 1844 *Manuscripts to here [(Capital)]*, we have to consider that there are [...] 22 years. In those 22 years, the things that Marx had seen in the *Manuscripts* and that remained open to him... This is the answer to things that had been raised there, and I don't want to get ahead of myself because I want to leave it for when we finish, but it is very particularly related to what he had synthesized in *On the Jewish Question,* where he makes a synthesis and... it's clear that the explanation isn't there, it's there: "This is this, this is this, this is this... and it can only be transformed into this other thing," but he has no way of explaining how it will be transformed into this other thing. And when you look at the development he makes, particularly in Volume 1, it's the unfolding of how what he saw there develops.

Aristides: When I read it, I got that feeling, and now that you've brought it up again, and also because of Alejandro, I feel it's a bit contradictory. Because if the worker's consumption and what their individual conscience dictates is an attribute of capital, then this idea of unproductive consumption... It's as if it's outside the process of producing labor power, that there's something outside of it, a consumption that doesn't contribute to the formation of labor power. Because it seems like if I choose, I don't know, to go fishing on the weekend with my son, and that I'm not developing my labor power there; it seems like there's a dimension in which I'm rebelling or evading the needs of capital.

JIC: *It would seem so.* Now, why isn't going fishing with your son on the weekend—because you can't go fishing with your son every day—part of the reproduction of your labor power? Why isn't going to the movies part of the reproduction of the labor power of a worker who needs to have certain images of...?

Let me put it this way: cinema has several elements one could consider. First, it shows the worker a world beyond the immediacy of their personal life. This gives the worker a certain universality. And we saw that capital needed the worker, with the development of machinery, to develop a certain degree of this universality, of recognition, of identifying themselves as an individual capable of participating in a collective work process, and so on. But also, when the intensity of work reaches a certain level, when the individual watches an entertainment film, what they do is release tension… replenish their capacity to then continue with the intensity. If they maintain that intensity all the time, they won't be in a condition to work the next day. Furthermore, cinema plays a whole ideological role in identifying with the characters and the artists, which contributes to the reproduction of a consciousness that is a free appearance and is alienated. We were talking about this the other day with artistic production, the role of artists in social life, and of professional athletes. So, it's a necessary form of consumption for reproducing a certain level of labor power.

There were two ways I approached it. In the classical economics courses, which at one point was the first subject for all students at General Sarmiento University—not all, but those in the social sciences took the course on classical economics, which covered Smith, Ricardo, and Marx—I taught the Marx section, a very condensed version of the first volume of *Capital.* When I got to this part, I'd draw a little diagram on the board where I had to represent the value of labor power, and I'd say: let's suppose the worker has to eat a fried egg and a piece of bread; that's all he needs to reproduce his labor power. And I'd draw them. When I got to this point, I'd say: but instead of eating the fried egg and bread, the worker wants either to feel some warmth in his body—and I'd draw a bottle of alcohol—or he wants to feel "spiritual warmth"—and he'd buy a book. If this wasn't what he needed to consume to reproduce his labor power, then he was left without labor power.

It's clear that a worker who has to do intellectual work needs to consume the things that reproduce their capacity for intellectual labor. And the worker who has to manage capital… We discussed this earlier: the value of their labor power includes becoming a member of the club they belong to, sending their children to the school they need to attend, owning the car they need to own, so they don't see themselves as a worker, so they can differentiate themselves from everyone else. And that's part of the value of their labor power. The individual doesn't consume all of that and doesn't possess the productive attributes that capital requires of that worker.

on average, all of a worker's consumption is consumption that reproduces their labor power. It's clear, then, that more or less indistinct labor forces can be produced, not necessarily with exactly the same individual consumption, but with a package, a basket of certain types of consumption. A worker who works with a certain intensity (we've already seen the shortening of the workday) cannot work 7 days a week, 14 hours. To reproduce their labor power, they have to work 5 days a week, 8 hours. And today, what appears is that 8 hours, five days a week, for a certain type of worker, the intensity of their work doesn't allow them to reproduce their labor power. So, this is what we have. Marx mentions, somewhere, some

consumption that goes beyond what seems necessary. From my point of view, everything that constitutes the value of labor power, and therefore what the worker is paid, is consumption necessary for capital.

[…] now what will seem to be the case is that, having just established that the worker is a forced laborer for capital, for the total capital of society, what happens to the workers who do the work of managing capital? They are individuals whose lives revolve around managing capital. One might say: these are individuals who receive… not as the simple value of their labor power, that's what one has to look beyond: indeed, there are representation expenses; and because they manage it, there is an appropriation by capital. But there are individuals who receive 10 million dollars a year. And one might say: if I were paid 10 million a year, I wouldn't even work a year. I'd work a month, two months, and then I'd do something else. This individual who is paid 10 million a year… Furthermore, they are paid… The other thing is that, to exert coercion, they are paid when they retire: not when they feel like it, [only] if they continue working for that capital until capital decides they are no longer useful. And so, what is premature for the individual, but appropriate for capital, stops buying their labor power, and the individual doesn't know what to do with their life, because the entire reproduction of their subjectivity is to function as the personification of capital. Then, when one looks at what they consume… they have to ask themselves what role that consumption plays in the reproduction of their labor power as a commodity for capital. And how their consciousness, which tells them they have to consume this or that, is a vehicle for the needs of capital.

We've already discussed this, I think, the issue of tobacco use. It's becoming increasingly clear among some younger generations that tobacco use is harmful, and so they don't use it. I raised this last year: where does the fight against smoking originate? It originates from working-class political organizations. Their argument doesn't really acknowledge why workers use tobacco, despite its harmful effects on their health. Because what is the argument of socialists and communists (I don't know about anarchists, because I don't know if they were allowed to comment on what others consumed)? It's this: tobacco has a triple harmful effect on workers. First, because it damages their health (this has been known since the late 19th century); it's a narcotic, it robs workers of their fighting spirit; and it causes them to waste their money on tobacco instead of spending it on things they need to improve their lives. And there's a whole struggle: they say Lenin didn't allow smoking in his presence, because that was his conscience; and here there was a strong campaign by the Socialist Party against smoking using these arguments, without much success, beyond some individual results. And tobacco use spreads completely.

When I was in college, I was exposed to secondhand smoke, but… The classroom was a cloud of smoke. I had some professors who would light their new cigarettes with the butt of the old one. What was happening? Natural lifespans were prolonged. The process of workforce development was prolonged, so the worker still couldn't enter the workforce. And what began to become clear was that tobacco consumption, especially for workers who had a long process of developing their workforce, and who reached the peak of their workforce development even

decades later, meant that by age 40 or 50 they were dying from heart problems caused by tobacco or from lung cancer. And then, especially where this type of worker appears, [...] the state begins to intervene because, for the general movement of capital accumulation, this means a loss of workforce, and it means enormous expenditures in recovering the deteriorated workforce, in healthcare costs.

The first issue is with the tobacco industry. Historically, the way to curb tobacco consumption, to regulate it and prevent it from exceeding the necessary high level, has been through taxes. All products subject to these extraordinary taxes (the same applies to alcoholic beverages) or those subject to illegality, are two ways to increase the price of a commodity whose value would otherwise exceed the level required by capital. Therefore, it has to be more expensive to reduce the level of social demand. So, the first step is to impose taxes on tobacco, and these taxes are raised. The government's argument to the tobacco industry is: you profit from this, but for everyone, this costs so much in healthcare; you, the beneficiaries of producing this commodity, will have to pay for it. And there comes a point when that's not enough. Then, direct prohibition begins, and campaigns against smoking begin, restrictions on smoking in certain places start to be enforced... Things that didn't exist before. These predictions are starting to come true, and tobacco consumption among certain types of workers is declining significantly for older generations, while younger generations are not smokers. For another type of worker, in China, tobacco consumption is rising, which is good news for tobacco companies. So, we constantly see evidence that what is being consumed is what capital needs to be consumed, because it needs a worker with certain productive attributes.

Let me give you another, more personal, anecdotal example. When I was a kid, a guy would run past my parents' house every morning, doing what later became known as "aerobics." My brothers and I would say, "Look, there goes that crazy runner." Because a guy running in the street... well, that's not what you'd expect (unless he had a specific reason to run). I started running because I'm from the generation when aerobics really took off. Today I can't run anymore; I'm limited to just walking, trying to walk as briskly as possible, but... I still run into tons of people. What's been happening? This is a condition for that worker to have a useful life for as long as capital requires that useful life. and that he has an image of himself, which is what serves him to personify the movement of capital, among other things, that he sees himself as a free, creative individual, who cares about himself—not that he does it for capital, he does it for himself, on the contrary: it seems that he is stealing this time from capital: instead of working he is running—.

And another example is the way in which a certain productive attribute is produced, but this is developed in companies that make *software* and things like that. It was famous—I don't remember if it was Facebook or Google—that they have rest areas and game rooms in the workplace. It seems as if the worker is stealing part of their labor power from capital when they go and lie down in a lounge chair to meditate. And that's a form, it's a necessary consumption to produce labor power, in this particular case, creative labor power. If the individual is whipped, they're never going to think about anything creative. The whip of the

individual who's watching them, looking over their shoulder to see how they move the tool, is useful for an individual doing mechanical work, a simple, mechanical movement. The individual who does creative work needs to consume other kinds of use values to see themselves with the productive attributes that capital is demanding of them.

Therefore, there is no worker consumption that is not necessary for capital. Marx illustrates this with a specific example. He says: if, for some reason, workers were paid above the value of their labor power, that would be unproductive for capital, a waste. And what governs the unity of social production and consumption in competition, both among capital and among workers, is what will bring the price of labor power to its value.

JIC: Well, I see there were many previous comments.

Alejandro [Chat]: We had planned to talk about the consumption of certain drugs as a moment in the reproduction of the worker with certain attributes. For example, in the kitchen, stimulants are specifically consumed to increase the intensity of the work process, and in scientific fields, a type of cannabis is often consumed that relaxes the worker outside of work.

JIC: I'm not that familiar with these differences in consumption. They're very clear between cocaine and crack use, because the difference in the user is clear: one needs stimulation and the other needs to not think about anything. In scientific circles, cannabis might be used more as a relaxant. Not only as a relaxant, but also as a way to process images, like free association, which then translates into the capacity for thought, for connecting things that are beyond immediate appearances.

Alejandro [Chat]: In racing, what you mention about the reproduction of free consciousness is quite evident, Juan. Moreover, competition itself, but particularly endurance racing due to its individual nature, is a small-scale replica of what is considered the ideal of competition between capital.

JIC: It's the general production of consciousness. […] This is universal: generally in sports, each one depending on where it has the greatest presence, but in the case of Argentina, the consumption of football as a spectacle is a condition for reproducing a normal workforce that has to participate in a collective work process. The individual who is unfamiliar with that, arriving at work on Monday, and if they weren't aware of what happened in football on Saturday and Sunday, they have no way of interacting with others. Aside from the fact that it's a way for consciousness to be applied to something, that if there's a combative spirit, it's discharged there instead of being seen as combative against capital, and if there's a need to produce a collective identification, it's produced there. Beyond all that, it's a normal condition. An individual who doesn't know about football is an unsociable individual; an individual who doesn't watch Tinelli's show on television (this is for my generation, I should clarify; I know that young people watch other things more), the next day has nothing to talk about at work. Because that's what general consumption is; it's part of the conditions for the reproduction of the workforce. I suppose that among younger generations, those who don't use TikTok

(or don't use... I don't know if Twitter is still around or not) are excluded from the possibility of connecting with other individuals.

Aristides: To me, it resonates with some trends of… well, yes, perhaps left-wing in some cases, these new expressions that try to find "spaces of rupture," "situations of breaking with hegemony," I don't know, places of resistance, of resistance outside of capital. That's where conscious eating comes in… It's a lot of things that are cooperative, community-based forms, as if they were being born outside of all that.

JIC: That's why, having completed Marx's analysis, I wanted to address the many arguments within Marxism that refer to this. It seems they've never read this chapter. They say that since the worker is subject to capital in the factory, the only place he's free from capital is at home, in individual consumption, in his family life. But what Marx shows is that the worker's entire life is life for capital. Those who argue that Marx didn't write the chapter on wage labor from the worker's perspective come up with the argument that, since that chapter is missing, we now have to talk about this, so the worker is free at home. And Marx wrote the chapter on wage labor from the worker's perspective, which is to recognize his condition as an attribute of capital. But I'd like to complete it and then look at these arguments, because there's more to what Marx says about this, regarding the appearances of circulation and the hidden content that is revealed when those appearances are transcended. And this is what is emerging. And it is here (if I'm not mistaken, which I'm almost certain of) that Marx is going to make a methodological observation that, for me, is extremely insightful. Because he says… Well, I won't get ahead of myself.

We have this concept of legal fiction. And Marx clarifies: when legal fiction is insufficient, capital resorts to direct violence. Here we have the example (Marx presents it as "before," but it remains relevant today) of the cotton workers, who were the " *movable property of the factories,* " [270]he says, and who were forbidden to emigrate. This clearly demonstrates that they are not free individuals, but rather forced laborers for the total capital of society. And then Marx summarizes the form this condition of forced labor takes, where the very movement of capital continually reproduces this condition: it forces the worker to sell their labor power. And then he says: it is no longer chance that brings the worker and the capitalist face to face, which is what appeared when one initially looked at the movement in Chapter V, the capitalist production process. It is the unity of the movement of capital that permanently brings the worker and the capitalist into contact. And he will summarize all this by saying: in reality, the worker belongs to capital before selling himself to the capitalist. And he reiterates what he had said before: his economic vassalage is realized at the same time as it is disguised through the periodic renewal of his sale, thanks to the change in his individual employers and the fluctuations in the price of labor in the market. And he continues, looking at this unity.

[270] Ibid., p. 486.

What follows, where it is once again made clear who the specific subject is and what the product is, what the object of that social production is, will raise the following point: when it all began, the capitalist and the worker appeared as the individuals who gave rise to the relationship. And now what we will have is this: therefore, the capitalist production process, viewed as a whole as a process of reproduction, does not only produce commodities, does not only produce surplus value, but also produces and reproduces the very "capitalist system": on the one hand, the capitalist, and on the other, the wage laborer; both are products of capital.

And with this, we have what I wanted to raise regarding the chapter on simple reproduction. It's not even about the accumulation of capital, and yet it already fully reveals the content of the capitalist mode of production. It completes the evidence of the initial appearance, but what will emerge is this: the exchange of equivalents, the supposed equality, conceals the exploitation of the worker by capital; the supposed freedom conceals the fact that the worker is a forced laborer for the total capital of society; property, from the perspective of capital, is based on the gratuitous appropriation of the product of another's labor, not on the product of one's own labor as was the case with private property in the simple production of commodities; and the appearance that the worker pursues their own self-interest is that what the worker needs to do is satisfy the needs of capital.

And here it became clear what the value of labor power is. Because when we started to look at it... Excuse me for interrupting you, but otherwise I'll forget because I kept remembering and forgetting: when we first looked at the value of labor power, its determination wasn't apparent. It appeared that it depends on historical conditions, on the cost of reproducing that labor power, but it was physical subsistence, and there's a historical and moral element. Now: what that element is wasn't explained. Now it appears that in the capitalist mode of production, the historical and moral element isn't outside the movement of capital: it's the historical movement of capital that generates workers with a certain history and, consequently, a certain value of labor power; And the moral element refers to the intellectual capacities that the worker has to produce, with what attributes this worker must be produced who is not simply a living being who survives, but who has to have certain capacities: capacity to do a certain intensity of work, know how to work with means of production in particular, with machinery... and in what we continue to develop, capacity to organize, to personify the entire movement of capital (and not only within individual capital but in what makes the movement of the total capital of society itself).

We've already discussed this, since Alejandro made those references to business administrators and economists: the key difference is that one is trained to operate as an organ of individual capital, and the other to operate as an organ of the total capital of society, or to be an organ of individual capital in order to relate that individual capital to the total capital of society. Do you have any questions?

Alejandro: Regarding what you mentioned, about 4... No, now, considering the value of labor power in terms of its historical and moral elements, there would be 5 appearances, and the content it contains, if we had stopped to consider...

JIC: This appearance of the historical and moral is external, but it's not the appearance of circulation. If we had stopped there, it would have appeared that there's some factor external to capital that determines the value of workers' labor power. Now what appears is: this is the determination of the value of labor power, which until then was externally imposed. At a certain point, I think I used the term, when looking at absolute surplus value, that capital appeared as the subject, but that it was a subject that didn't set its own conditions. And now what we're seeing, we already saw in the process of the production of relative surplus value: how capital set the conditions of the materiality of the labor process. What we are seeing now is that it is capital that provides the materiality of labor power, that produces it: it sets the duration of the workday (we saw that with the increase in intensity it had to shorten it), it sets the technical conditions, it sets what the use values are that determine the value of labor power: it is a subject that sets its own conditions.

And I want to add one more point. Strictly according to Marx's development, up to this point there has been no indication that the working class possesses any potential to overcome the capitalist mode of production. What we have before us is the reproduction of capital, and all the transformations we've been observing are within the capitalist mode of production, as an enhanced reproduction of that mode. And when Marx examines reproduction, especially in what follows, he views it as a matter of proportions, and as a matter of proportions, nothing will appear to suggest that the capitalist mode of production is generating a subject with the potential to overcome it. Up to this point, it's this reproduction. When we emphasize the socialization of private labor—which Marx also discusses, but he treats it primarily as a matter of scale—we look at the transformations the worker undergoes, how they become a subject who manages capital. Let's keep in mind the development we've been following. In Marx's text, this is not stated in those terms: it is always the capitalist who manages the capital.

Alejandro: It raises for me the question that if we had stopped at some earlier point, some of these appearances would remain as if they were the content itself.

JIC: Exactly. What vulgar economics does—which in this case is neoclassical economics, but also Marxism, which doesn't consider this chapter—is dwell on appearances, only it does so to be critical of the capitalist mode of production. But in that sense, what vulgar economics does is cultivate the appearances of circulation: equality, freedom, property, and self-interest. What determines the value of commodities for neoclassical economics? What each person maximizes their utility. They are free to maximize their utility. Then the concept of equivalents presents some problems regarding equality, because according to some, both parties benefit, but each party equates their marginal utility not with that of the other, but with their own, in the exchange. All the appearances of circulation emerge.

Next Wednesday, if you'd like, we can take up some of those approaches that seek something outside the movement of capital, including the idea that revolutionary character resides in private life, even though we still talk about the

working class. We'll look at some of that and then move on to the chapter on expanded reproduction. As I was saying, in expanded reproduction there will be a first phase, a first step, which is simply movement under identical conditions, only on an expanded scale, and therefore there is no production of relative surplus value. Then comes the production of relative surplus value, which is what makes this expanded-scale reproduction evident, based on the increase in labor productivity.

[Expressions of the political weakness of the working class: the “new left”]

JIC: Well, is there anything we saw last time that we need to revisit? [...] It was about workers' consumption not determined by capital's needs, but arising from elsewhere, within the realm of family ties and friendships; revolutionary consciousness arises or can arise outside the production process. Was that it?

Aristides: Yes. Yes, that way.

JIC: I don't know if you want us to dwell on that.

Ivan: Who's suggesting that, Juan? The bonds of friendship, revolutionary consciousness? I missed that one, and I've been wandering around so many places... I never got to that point.

JIC: That has different aspects. It has some aspects in analytical Marxism. In the arguments of Holloway and Negri regarding... I'll look for the quotes. [...] Excuse me, because I'm looking for it, but this comes from a lot of lines of thought, relatively speaking... It comes from "open Marxism," which was in England. [...] Let's see if I have a quote here from Williams where he explicitly states that.

Ivan: But that completely erases what is specific to life, which is work. Absolutely everything is erased.

JIC: Yes. I have Williams here; he says:

> The private subject takes part in the search for interactive, cooperative, altruistic, and multidimensional personal relationships in the private sphere. This is seen as an attempt to materially reproduce themselves as a unified person in order to overcome the experienced antinomy between the community in the alienated form of politics and the association of civil society determined by the value system [271].

And then it continues:

> The State is the expression determined by the form of the popular will, reproducing the totality channeled by the processes of valorization and leaving a place in which critical forms of consciousness can develop as individuals and groups seek to rectify the worst antinomies of their lives in civil society [**JIC:** which is what he relates to capital], through political activity in and around the state.

This is one aspect: the condition of being a revolutionary subject must be sought outside the production process, in the private sphere.

Negri 's position; he says, "In other words, it's a resistance that translates into love and community." Let's see if there's another one. Holloway says:

> The crisis of the revolutionary subject is its liberation from knowledge. It is the call to not know, to not understand. Think of an anti-politics of events instead of a politics

[271] I am unaware of the references that JIC will make to various authors in the future.

> of organization. At best, such events are flashes against fetishism, festivals of the unsubordinated, carnivals of the oppressed, and explosions of the pleasure principle, intimations of the *nunc stans.*

Ivan: How curious to study so much to reach that conclusion!

JIC: I mentioned the other day (whose name I also can't recall) the guy who says, taking Marx's development project, that he never wrote the chapter on wage labor, where he has to present things from the perspective of wage labor. It's as if this chapter we've been studying never existed. That's the image: it doesn't exist. [...] And it's also in private life where we look... Because their argument is: alienation happens in the factory. So, where does the individual free themselves from capital? In their private life, in their personal relationships. And it doesn't even occur to them... I think they're actually making an effort not to read that chapter, because if they read it, they can't say that; there, precisely, the private life of the worker is addressed in the process of reproducing their job, where it's established that it "is an attribute," even in that process; and it's not even the individual worker: it's the working class that is an attribute of capital.

All these lines of reasoning derive from Rubin. The starting point is always that what is specific to the capitalist mode of production is abstract labor, and abstract labor is a phenomenon of circulation. Therefore, since development is emptied of content, these assertions are then used to support the arguments.

Ivan: But doesn't it also underlie these arguments that what is particular about the capitalist mode of production is private property and not private labor?

JIC: No, not in these types... For them, private labor is erased. Sometimes there's a mention of private property, other times there's nothing left, neither private property nor... In De Angelis's writing, he argues that to understand what value is, one must understand wage labor, because abstract labor is that labor which the worker performs with "indifference" to its concrete form. What does "indifference to its concrete forms" mean? De Angelis says: with indifference to the worker's life experiences, to the worker's thoughts, and that this is what abstract labor is. It's an article that must be 50 pages long in a journal. There's no reference to the private nature of labor, and I think there is, if I remember correctly, a mention of private property, but only in passing. This is the dominant view within Marxism.

Ivan: It might also seem like such a naturalization of private work that it's no longer seen as something specific. In other words, from that author's point of view, it could appear that the problem is exploitation, but not the private organization of work. We are all free individuals and therefore...

JIC: It's not exactly that. That's another aspect, because those who advocate for exploitation are historically linked to the political organization of the working class: the working class has to organize itself against capitalist exploitation. What they propose, in the case of Holloway and Negri, is first the denial of the existence of the working class. In Negri and Hardt, it appears as the "multitude." And Holloway, who used to say that the content is the class struggle, and the form is the development of the modes of production, now ends up saying: well, if you want,

call it "class," but there's a problem with calling it that, because the problem is that capital is a "being," the social relation is reified, and the problem is "doing"; and consequently, to identify as a class is to identify as a part of capital. And that doesn't allow for unleashing the "carnival of the oppressed."

That's the dominant theme. I wrote something, and I was interviewed for a book about Peru, but for a different one, and I focused on the relationship between the erasure of the materiality of abstract labor and the transformations in the materiality of labor. And why we go from mass working-class political organizations (whatever they may have been) to the denial of political organization and the denial of identification as a working class. Well, that's what I have. I don't know if you want to... I'm trying to find a bit more in the multitude of files I have, whose names I don't even know, nor what I'm going to find.

Ivan: What do you have ? Reading logs, Juan, there?

JIC: No, no, I have the text I wrote at different times. I have document files and that's where I'm getting the quotes from; I never had the patience or the organization to make index cards.

Aristides: There's also a kind of reduction of the sphere of production, a simplification. As if suddenly the sphere of production were only the factories that produce commodities. And then, based on that reduction, well: that's civil society and everything else is outside of it, and that's where politics and consciousness, subjectivity, come in... It's a fragmentation of development, at least in this last chapter that Marx writes; everything is fragmented. There's also Situationism, which in that sense also proposes that the political subjectivity that will be revolutionary will emerge from situations of rupture with that logic of capital.

JIC: Yes, but there you can also find the connection to the production process. In these other cases, in negation, one must step outside the production process: one must turn one's back on capital. What emerges there is a human spirit that is free by nature and rebels against this oppression.

Randy: And also, in many approaches there's a sort of split between production and reproduction. In fact, there's a book, "The Split of Value [272]," or something like that. I'm also thinking of Moore, who starts from a split between production and reproduction and situates, let's say, the capitalist relationship within production and reproduction; he talks about "appropriation" and distinguishes it from production. He doesn't necessarily deny production, but rather considers a split, and as if they were two logics, how those two logics intertwine. But he thinks more of a dialectic between those two planes.

JIC: Yes. The thing is, Moore's point is that societies choose what they value (at that point, value became anything and everything), and in capitalist society, wage labor has been valued while other forms of work have been devalued. It also shares Rubin 's view that value arises in circulation. All the arguments about the denial of

[272]It appears to be the work of this author: https://es.wikipedia.org/wiki/Roswitha_Scholz

the working class and its narrow identity... It's not that there's a generic identity as the working class and then specific forms within that generic identity; it's the other way around: there's a multiplicity of identities, all separate, that have to converge from outside themselves. That is, they are constituted units that have to come together, that have to associate. It's the very image of the commodity producer.

Randy: Laclau, for example, could be. The constitution of demands as a multiplicity, and the political articulation that would not be determined. It would imply, let's say, that constitution.

JIC: Yes. Here I found the one who... A certain Lebowitz, I think he's an American. Michael Lebowitz, the one who says that Marx failed because he didn't take into account the point of view of wage labor, conceived as the external opposite of capital; and limited himself to writing (these are all terms that Lebowitz uses): the "determinist," "fatalist," "reductionist," "economist," and "subject-less"; the book *Capital* is an "absence of Marxism in Marx."

Ivan: "Absence of Marxism in Marx," you say? [Laughter.]

JIC: Yes. I wouldn't object to it so much, but… [Laughter]. But well, Althusser also raised the issue of the "non-Marxist" or " pre-Marxist " Marx. Lebowitz says that the historical-moral element isn't explained, and what we focused on last time was saying: this is the historical-moral element. What we're seeing in the reproduction of labor power as a use-value for capital, and therefore with the productive attributes that capital demands from that labor power: that is the historical and moral element.

But anyway, that's universal. It's not just within Marxism… These are ideas that are absolutely relevant today. That's why every time I go to a conference, a congress, or something to talk about value, the first thing I do is say: value is abstract labor, the material expenditure of human labor power, socially necessary, materialized in commodities in a private and independent way, which is represented as the attribute of exchangeability of commodities. Because if you talk about value, you're talking about abstract labor, and if you don't say that, for everyone present, you're talking about a social form. Abstract labor is conceived as a purely social form.

There's a further step: what is the political reason for this? And that's what I aimed to answer in this interview. The political reason is that the working class, which was the driving force behind a whole series of movements in which capital accumulation was developing, which needed relatively undifferentiated workers, which needed levels of centralization that were still limited to national forms… Who is the social subject that can embody a relatively universal movement for the reproduction of labor power with increasingly developed productive attributes? The subject that embodies this is the political organization of the working class. When that material base is reversed and capital begins to need highly differentiated workers, and the centralization of capital transcends the reach of national spaces, the working class loses the political power it once had. Political power is not an abstraction: it springs from the movement of capital accumulation.

And what does capital need? Quite the opposite: to fragment the working class, to transcend national boundaries. And the political organizations of the working class lose the power they once had.

Differentiation is expressed precisely in absolute fragmentation, in the narrow identity versus the generic identity of the working class. The centralization of capital beyond national boundaries no longer takes the form of centralized capital as state property, but rather the form of the development of individual capitals called multinationals. And the working class was left without political power. And the form that political weakness will take, from the point of view of knowledge—which is the organization of political action—is that knowledge, which already had a whole series of characteristics before… Even in mass political organizations, the idea was present that it is an abstractly free will that will lead us to overcome the capitalist mode of production, that we are free individuals by nature… All these things were present, but at the same time they were ideological forms of these mass political organizations.

In my view, what is generically called the "new left" is the expression of this fragmentation and this political weakness. So, what does the new left begin to do in the theoretical field? It begins by condemning the old left because they were deterministic, because they were mechanistic… And now, what matters is will: we are going to overcome everything through a revolutionary will that has nothing to do with the development of the productive forces, nothing to do with the way in which the social life process is organized. For this, it is necessary to erase the material character of abstract labor, because now we must talk about abstract labor, but it cannot be something linked to the materiality of the production process, of the human life process. It has to become an ideal construct against which we must fight.

One of Holloway's arguments is that we must fight against abstract labor. When Negri and Hardt speak of the multitude, social classes no longer exist. Hardt and Negri discuss biopolitics, discovering that the entire life process of the worker is a process... Now it's not like before, they say: now the worker's entire life is not merely an attribute of capital, but rather... Labor is directly social. In these cases, the private character of labor disappears. Biopolitics is directly social. So, who is the revolutionary subject? Those who work in advertising. Because communication is now what's at stake. I've caricatured it, but that's it; they are specifically named. It's what Marx will call in the *Grundrisse,* "general intellect " (later he will speak of scientific labor as general labor, but we'll get to that in Volume 3). They take this, and "general intellect " is this: the bonds established between the consumer and... not the producer... But the bonds established are far from being objective knowledge... Precisely, advertising is the manipulation of a free conscience whose content is to be alienated. Well, that's what's stated there.

I also included it in the new edition of *Knowing Capital Today,* taking these developments to address them. The problem with that book is that, since it only covers what pertains to the general social relation in parallel with Volume 1, it doesn't allow for the rest of the discussion. I hesitated about putting this interview at the end as an appendix, and then I said: no, that's anticipating things one can't

anticipate. This is what it is, as they say around here these days. If you look within Argentine Marxism, the journal *Herramienta*[273] is absolutely Holloway-aligned. What remains of the people who were with Pablo Levín are absolute Rubinists. I understand that Claudio Katz is a Rubinist. Pablo Rieznik was. So, you sweep through a whole bunch of lines that seem to have nothing to do with each other, and it's absolutely dominant. Astarita is a Rubinist, even though he says there's a "good part" and a "bad part" of Rubin. So, one has to look for it not in the minds of those who propose these ideas, but in what happens with the materiality of the process... […] one has to look for it in what happens with accumulation…

I was going to include this: Marx makes a synthesis (which I shouldn't make at this point, but…) in the *Grundrisse,* without yet having been able to explain why it's so, where he proposes that there are three stages in the development of human society. The first is based on bonds of personal dependence, starting from animal bonds and becoming bonds of personal dependence. The second is the bond through things. The third is the conscious bond, aware of its own needs. And he says: the second is the development of the third. And what is characteristic of the second? Not in these exact terms, but he says: to produce a society of universal individuals with universal needs and universal capacities. This is the historical role of the capitalist mode of production. When one looked up to the last quarter of the 20th century—with many caveats—what appeared to be the general movement pointed in that direction. And who was the agent of the advance toward universal individuals? It was the political action of the working class. Where do universal education, the universal shortening of the working day, and the centralization of capital as state property come from? From the political action of the working class. The capitalist class that remains after its centralization benefits from it, but it cannot be the bearer of that centralization because it eliminates a part of the capitalist class. But we'll look at that later.

And then a phase of accumulation appears that ultimately has the same content, because it is the development of the productive forces of social labor, but it has the opposite form (the one we were talking about earlier). And the working class loses its political power, it fragments, and a point is reached where its identity disappears; now there are small identities: let's show solidarity among these small identities. I say "small identities" that even include plants (I was reminded of Moore) and animals. But identity is a human identity, not simply that of living beings. It is a human identity in the concrete historical form of working-class identity. But on these theoretical foundations, the organization of mass political action becomes impossible. The possibility of creating a working-class political organization with the character of a mass political organization disappears. And what remains are more massive movements, less massive movements, and very small movements. And these are the current forms of the capitalist mode of production. […] Iván, […] Did you want to bring something else up?

Ivan: Yes, it's something I still need to get to from the previous class. […] In simple reproduction, we saw that the capitalist, as he consumed the surplus value generated in production as profit, reached a certain point where he consumed the

[273] https://www.herramienta.com.ar/

equivalent of his initial investment. And when I read it in the text, it seemed confusing to me; I don't know if it's because of how Marx presents it, but it appeared as if constant capital was being consumed, when in reality constant capital is reproducing itself in its value, in the commodity. So, my question was whether, with this argument from Marx, what's being made clear is that the social role the capitalist played by advancing capital to start the production cycle is lost to the extent that he ultimately consumes everything he advanced as profit. In other words, is that the argument presented there by Marx? Because otherwise, what I saw was: constant capital is ultimately reproducing "itself" insofar as its own value is in the body of the commodity, and therefore returns in order to replace that constant capital.

JIC: I'll put it this way. What one can say is that there's a formal, not real, transformation of the capitalist's original capital into accumulated surplus value. Because what appears is precisely what you just said, and you said it better than I did and better than I'm going to say it now, so I'll have to listen to the recording later. It is: formally, the capitalist consumed his capital; his capital is accumulated surplus value, and he lives off that surplus value. Now, if one looks at it strictly, one could say: no, it was preserved… It's several things: variable capital, each time a production cycle takes place, disappears, and there's a new value. That new value is the product of the workers' labor, but it's not surplus value, because it's the value of labor power. So, one can say: well, the capitalist's original capital was replaced by the value produced by the workers. But what did they use to buy the workers' labor power? With the original capital, which no longer exists, but since he had that original capital, he has titles to recover it; otherwise, the worker would have "dispossessed" the capitalist, so to speak, of his original capital.

So, for me, that's it. It has a formal character, or you could say it serves as a mechanical demonstration of why the capitalist's capital, even in simple reproduction, is accumulated surplus value. But I can't *really* explain it that way because someone would object: it's the value of the old means of production that reappeared. And that was the capitalist's original capital. And variable capital isn't accumulated surplus value, because it's not actually the capitalist's original value, but it's a value for which the capitalist pays. Someone else produced it, but the capitalist buys that labor power. Yes, with the product of the worker's labor, the capitalist buys the worker's own labor power, but it's the product of the worker's labor that the capitalist paid for.

Why is it placed there so prominently? Because it encompasses not only variable capital, but all capital. I could never understand why Marx placed things that way: Marx knew; but it's possible that it's a step towards revealing what follows. Because in that chapter, with that argument, the four appearances of circulation disappeared, revealing their absolute opposite. Because the nature of exploitation now is not only that, through the exchange of equivalents, the worker gives up and produces more value than what he receives in return, but also that, in the exchange of equivalents, he is paid with the very thing he produced *without payment.* So, it's private property based not on one's own labor, but on appropriation without compensation; it's full exploitation because he is paid with the very thing that was taken from him without compensation, and at the same time, it's the absolute negation of private property based on one's own labor, taken

to its extreme: that the worker pursues the needs of capital, under the guise of pursuing his own self-interest, but must satisfy the interest of capital. And that he is not a free individual, that under the guise of being a free individual, he is a forced laborer for the collective capital of society. It all fits together perfectly, but for me, it has this… let's call it a "weakness," that it's merely *formal.* Now: when it's incorporated into this chapter on accumulation… There, there is no doubt that if the capitalist's original capital still exists, it is a minuscule, insubstantial part of the capitalist's capital. And so, even if it had been preserved, it tends to be zero within the capitalist's capital mass. And there, then, the four investments are *truly fully developed.*

This business of "formal" and " real"… Marx doesn't use those terms there. Hegel does, and formal determination is an external determination, possessing an exteriority, because form cannot account for its own necessity. And in Hegel, the point is that one always confronts the form first, then discovers its content, and then unfolds why the content necessarily takes the form in which one encountered it.

Ivan: But I mean, for me too, in expanded reproduction… Yes, it's like it completely closes the loop. But even simple reproduction, for me, if he's thinking about a society that reproduces its means of production, its population, its very existence, it's like in that simple reproduction, what Marx manages to show is that this thing that appears in circulation, which is the role of the capitalist as the one who organizes production because he can advance capital, in that same simple reproduction, what is demonstrated is that the capitalist quickly exhausts that role, because everything he advances he ultimately consumes. And there's a point in simple reproduction where it's simply profit for the capitalist; he begins to appear as a parasite that simply consumes.

JIC: No, I don't share that view… because it involves management. Now, in this chapter, we'll see that Marx continues to recognize that the capitalist is in charge of the private management of social production. On the contrary, he'll recognize that this has a historical right to exist because it's the one that manages it. It doesn't matter if capital is accumulated surplus value, but it's not a rentier who consumes parasitically. What will emerge from this is precisely this: the capitalist is the one who has to divide how much surplus value he will consume and how much he will accumulate. And what will emerge is which of the two portions is the independent variable and which is the dependent one. I don't know if I should say this beforehand. It's in the independent portion that he fulfills his function as a capitalist. And what emerges there is that the capitalist's individual consumption is also determined as a necessity of capital. It's not that the capitalist consumes whatever he pleases, but rather that he has to choose to consume what the movement of his capital tells him he has to choose and consume.

Ivan: But you, Juan, when you refer to management, are you strictly referring to the management of the division of income generated by capital? Because we had seen that part of the management begins to take charge of the collective worker itself, right? At least partially.

JIC: No, but be careful, because that development we made isn't in the capital. It's not in the text.

Ivan: So, that's where the supervisor's or foreman's control comes in. It appears as the lowest level of that control.

JIC: That's why. But the one who exercises control is the capitalist; he's the one in charge of creating the production plan, it's his authority that makes the production plan manifest. So that's what emerges. And now, when we look at it, this too: when he has to decide what to do, it's because he has to organize production... [...] I'm getting ahead of myself, but to make it clear: since the independent variable is accumulation, the capitalist has to know what he 's going to accumulate in, how he's going to accumulate... Consequently, that's what organizing and structuring the expansion of production is all about.

Ivan: So, it still retains that historical role, at least up to this point.

JIC: Up to the end of Volume 1. And only expressions of that appear in Volume 3.

Ivan: And what's that like today? It's constantly being recreated and dissolved, right? Because there are always capitalists who innovate or who have capital and develop a whole... I don't know, for example, the role models we see today as capitalists are no longer Henry Ford of the automotive industry, but the owners of Google and Facebook, Elon Musk, and so on. They appear as those capitalists who still have a place, or seem to have a place, in the management of their own capital. And on the other hand, there are corporations, that is, capital that would already be controlled by a collective of workers.

JIC: Many of those things appear in Volume 3. But think about this: at this point, what is Musk really in charge of? He's not looking at whether the cars will have the headlights on this side or that side. He's not even looking at what they're going to do with the cars. He's basically playing a representative role for that capital. When he makes a fuss about buying Twitter, the Twitter purchase is organized by a collective worker who has carefully studied what the heck they're going to do with Twitter: that's all. Let's suppose that, even if he said, "Okay, let's buy Twitter," before that, it's very likely that he has a collective worker specialized in figuring out what he has to do as a representative of his capital and what spectacular things he has to invest his capital in to play the role... that his capital plays, too. And another thing: Elon Musk appears... he's the one with the electric cars, too, right?

Ivan: He has battery-powered cars, he has SpaceX, which has the mission to go to Mars and begin colonizing the Milky Way...

JIC: That's why: the main electric car manufacturer isn't Elon Musk, it's a Chinese company that produces... I was looking at the data the other day, and it produces about ten times what Elon Musk's factory produces. So, he plays certain roles. He clearly plays political roles, and he plays the role of representing his capital. The actual management of that capital... What can that individual do? He might be a brilliant individual, capable of being in several places at once and so on,

but is he going to be looking at the fact that there were a lot of fake accounts on Twitter, or making up stories about fake accounts to drive down the price?

Ivan: So, you're saying that because of the volume, the scale of the companies, of the medium-sized capital, the individual capitalist can no longer have direct control or management of their own capital. But I ask: doesn't he still retain a more general role...? On that scale, obviously. The president of China won't be involved in every detail of Chinese political life, but he will be the one who organizes, in a general way, how capital will accumulate in that country or tries to manage what the more general needs are. And obviously, he will be below...

JIC: And it makes the public representation of that national process of capital accumulation. Yes, but the management of the capitalist, who, when we look at the text, is an individual, it's clear that this management, this personification of capital… well, with the scale that capital has, no individual can integrate it into their person. And these appear… Because also with computing there was a change. In the development of computing, partly in hardware, but then very strongly in software and communications, gave rise to capital that the mythology is that are good guys who got together in the garage and invented Facebook, or Apple, Microsoft… Microsoft started financed by IBM, they paid them for the development of the OS. Then they didn't have the foresight to "kill" those who had done the development for them [Laughter]. But this is it. It's not that Facebook grew little by little… not at all: suddenly they put in a package of funds and it expanded enormously. And there you have a collective worker that is managing it.

Ivan: So, would the collective worker come from the IBM side or the financial side that decides whether to make that investment?

JIC: It's in Volume 3, but there's one capitalist who puts that up, and another who manages the capital. When you look at Microsoft, Bill Gates, his children aren't managing the capital, and they're the owners of the capital that Bill Gates has. As far as we know, his children aren't managing that capital. And besides, most likely, just as Musk is the one who stands out, his children are clueless. But it's because they've lived off… I don't know if he has children or not, but you get the idea? The heirs. Because they weren't the ones who developed the car. Let's suppose that original idea came to this guy. Those who follow… That stuck with me; I think I've said it before.

In the 1980s, the Eastman family, who owned Kodak, fired the last Eastman, who was the CEO, and hired a professional CEO who wasn't a relative. The family fired him because they thought the company was going under. Later, they went under due to technological change, I think, but at that time, it was a form of capital that played a significant role in the social life process. So… Since it's quite far down in Volume Three, I'll allow myself to make an observation about this. At a certain point, Marx says, when he's talking about the separation between management and ownership of capital—he still presents him as a capitalist, but not an owner of capital—he says: capital has the same virtue that the Catholic Church had in feudal society. That was that it could take the most capable individuals from the different classes within society and put them in positions of power. This was in contrast to

the hereditary nobility, where the heir was an idiot, but he was the heir. In contrast, the Catholic Church bypassed them because it had the most capable individuals. Well, this happens. I don't want to use Macri as a national example, but it's one of those examples of what passes from one generation to the next. Although, as his father told him, the day he took office as president, his father went to kiss him and whispered in his ear, "I screwed you over." But anyway.

Ivan: But then, for Marx, the capitalist still plays a role here…

JIC: Throughout Volume 1. At some point, he will talk about an individual capitalist or a society of capitalists.

Ivan: Are we in a position to move forward? What resistance, huh? In psychoanalytic terms, what resistance to moving forward…

Javiera: The resistance is from Ivan.

Ivan: Ah, well, but it's a resistance towards the future, because notice that all the questions point to Volume 3 [Laughter].

Javiera: You're right, your resistance is progressive [Laughter].

JIC: Shall we begin with the development of the chapter?

Chapter XXII. Transformation of surplus value into capital

1. Capitalist production process on an expanded scale. Overturning of the property laws corresponding to the production of commodities into laws of capitalist appropriation.

The chapter is expressively titled “Conversion of Surplus Value into Capital.” The first thing to note is that, when looking at simple reproduction, the movement of capital was actually lacking its own raison d'être. Because capital is not set in motion to produce surplus value to satisfy the individual consumption needs of the capitalist. We saw this when we examined capital as a subject in Chapter IV: it was already clear then that the purpose of setting social production in motion by capital was not to satisfy the individual consumption needs of the capitalist. Consequently, we were seeing a movement of capital that lacked the “essence” of that movement, in terms of the purpose it pursues, the unity of the movement. And so Marx will synthesize the movement we are facing by posing this point.

It's not a direct quote, but when one looked at the process of capital production—capital producing itself—what one discovered and confronted was how surplus value arises from capital. Now, when one looks at the process of reproduction on an expanded scale, which is where the movement of capital is fully present, with the purpose that corresponds to the movement of capital, what will appear is how capital arises from surplus value. And when one says that capital appeared as a subject, what is characteristic of a subject is to multiply itself ever more powerfully. And consequently, when we look at the process of reproduction on an expanded scale with the process of capital accumulation, we have the full movement of the subject that reproduces itself ever more *intensively* and *extensively,* becoming more powerful. So, we enter into this process of capital accumulation.

If, when one looked at simple reproduction, the reason that gave meaning to production was to satisfy the workers' need for use-values so that they could reinvest capital, and the capitalist's individual consumption, what now becomes apparent is that the production process itself involves the production not of means of subsistence, but of means of production. Consequently, this reproduction on an expanded scale is already present. At the same time, Marx does here what he always does in his work: he begins with the materiality of the process and then proceeds to examine, within this social form, how that process is governed.

And then, starting with this materiality, he says: already in the production process, the part that corresponds to the production of surplus value, under the social form of the production of surplus value, already contains the need for its reproduction. I say "need" because the means of production are not for individual consumption. So, the only thing that can be done with these means of production is to put them to work; the movement that follows is already determined by the materiality of the previous production process. And consequently, what will also appear is that the process of individual consumption by the capitalist undermines

the very movement of capital: what we saw at the beginning also appears now in the very materiality of the production process. Now: as in this materiality, so appeared the production of means of production beyond what is necessary to replace what is consumed; part of the surplus value has the material form of means of production, and these new means of production require new labor power. Consequently, within surplus value there must be a portion that takes the material form of the means of subsistence for these new workers who will be incorporated into the existing workforce. And so this determination of the material form arises, which must include, in the form of surplus value, the means of subsistence for the additional workers who will be incorporated into production. What happens to them? What is the availability of these additional workers?

Since this first step doesn't focus on the development of relative surplus value production, it reveals how capital secures the availability of these new workers. Because, as we've already seen, wages encompass not only the consumption necessary to reproduce the labor power of workers already in production, but also the value of the commodities that future workers need to consume to acquire labor power. Therefore, the potential for this multiplication of labor power is channeled through wage determination. Thus, we have this movement of the need for additional working-age population, which, in these absolute terms, is contingent upon no change in the technical conditions of production.

Javiera: Juan, I have a question. Right before the part about the additional working population, I'm not clear on what you mean by transforming a portion of the surplus product into capital. Well, at least my translation says: "[...] but, without performing a miracle, only things usable in the labor process can be transformed into capital" (referring to the means of production and labor power). I don't quite understand this process where a portion of the surplus product is transformed into capital. Maybe I'm getting confused; what I understood wasn't that the surplus product somehow renews the process... So, how is it going to create capital? I don't know if I'm explaining myself well, but I didn't understand.

JIC: I'm not sure I'm following you, but when you look at it... Marx raises this point, I think, several times, if I remember correctly. Expanded reproduction, what he analytically does is: there's simple reproduction. Because that expanded reproduction, especially when there's relative surplus value, doesn't work anymore. There's simple reproduction, we already know how it works: the only new problem we have is the little bit that expands; the rest doesn't even need to be considered because we already know how it is. What happens to this little bit? For it to expand, it can't have been part of the value of the product that comes to replace the means of production that wore out, the old workers who wore out, to replace the raw materials that were consumed in the previous period. That's not part of the surplus product, of surplus value; that's the reappearance of value in the regeneration of the value of variable capital. The problem is simply what will happen to the additional bit.

So, in order for that extra bit to function as capital next time, it must materially take the forms that serve as capital: the form of new means of production and new means of subsistence for new workers who didn't exist before. Therefore, surplus

value must *materially* take these forms. If it didn't have this form, it couldn't accumulate. If it took the form of means of subsistence for the capitalists, it couldn't accumulate. And in this situation, without technical advancement, in the same proportion that the means of production multiply, labor power must also multiply, and consequently, in the same proportion that the production of means of production multiplies, the production of means of subsistence for the workers must also multiply. All of this takes the form of surplus product, because it isn't necessary to reproduce those who were already in production. I don't know if that's clearer.

Javiera: Yes, that's when I got hooked.

JIC: Okay. We're going to have this movement on an expanded scale.

Production must be on a *materially* larger scale than in the previous cycle. And now, what was part of the surplus product of the previous cycle in the form of surplus value will, in the next production cycle, become new capital. This new capital… is no longer a formal issue, but rather was *actually* surplus value and is therefore the product of unpaid labor. The capitalist's original capital no longer exists here, because all capital is generated in the previous cycle in the form of surplus value. And so, Marx's synthesis is this: what the working class produces in excess of its own reproduction needs this year is the capital that will be functioning the following year: this is what is called producing capital with capital. And all the appropriation of the unpaid product of present living labor is based on the product of previous unpaid labor. It's as if one were to ask: with what are the workers paid and with what are they put to work producing? With the product of the unpaid labor of the old workers. And then, what will appear is that this is the process of capital multiplication, where the original capital constitutes an increasingly diluted part of the total capital, and the capitalist's capital becomes increasingly larger, and the larger his capital, the larger his surplus value will be and consequently, the more capital he will be able to accumulate.

Javiera: I don't know, maybe I'll take a leap, but… What we were just discussing, if the work that pays the new worker is based on the unpaid labor of the older workers, one could say that the product of the work one performs is a social product, right? I know it sounds a bit obvious, but I'm thinking about this idea that when one works, one might think that the product one is generating belongs to oneself, so to speak, and in reality, it belongs to society as a whole. It's social labor, but the product is also a social product; it's not an individual product, so to speak, of the worker performing the specific task.

JIC: Let me see if I follow you. We had the idea that work is an individual activity because it requires expending one's own labor power, but its productive forces arise from the social character of work, where one productively consumes the products of other individuals' labor and develops one's own labor power based on the work of others. This work that other individuals do so that another has labor power—that is social labor. But I get the impression that you were going a step further. When we talked about consumption, we said that consumption is individual, even productive consumption, but at the same time, one consumes the

means of production produced by others. Are you referring to the social character of the product in the sense that individual A produces something that will not be consumed by himself, but by individual B? In that sense, are you saying that work has a social character, or were you...?

Javiera: […] When you said it, and I read it in *Capital,* it came to mind when one encounters arguments about all this talk of "common commodities," about what human beings produce and what nature produces in general… well, to contrast this idea that there is something outside of capital, linking it to the issue we were discussing before, and those who defend these arguments, this perspective, say: there is a product that a community generates, and that product belongs to the community; it is something produced by someone else, outside of capital. But that's not the point I was thinking about; rather, it's as if there's an appearance that what one produces or consumes is the result of the work one has done. And in reality, what's behind it, that is, what one ultimately produces isn't… I got tangled up; I'll leave it for when I can explain it more clearly. I also told you it was a leap because I also picked it up from something I read in Volume 3.

JIC: That's a sin! [Laughter]

Javiera: No, I know...

JIC: But read it, read it anyway.

Javiera: [Laughs] No, no, I was just saying "I know," to put it without showing it. It stems from the discussion that the land belongs to no one and that the work one produces... It's been a leap. It's very abstract.

JIC: The idea that the land belongs to no one… In the capitalist mode of production, the land has an owner; it is monopolized. The proposition that the land belongs to no one abstracts from the social form that the human life process takes in its entirety.

Javiera: Yes, but it doesn't belong to anyone in the sense that it's not a result of human work, let's say.

JIC: So the point is that it's not a product of human labor, not that it belongs to no one. What are you getting at with that?

Javiera: I had written that down. Let me rephrase the question: Does the worker own the fruits of their labor? Because when I look at what I mentioned at the beginning, it seems like there are the older workers, and then... the new workers are being paid with the fruits of the older workers' unpaid labor. So that's when I was wondering in what sense the worker owns the fruits of their labor. If the fruits of their labor aren't their property, but rather "social property" or something like that.

JIC: Let me see if I understand. The worker doesn't own the product of his labor, not a *single part* of the product of his labor. The product of his labor, necessary for

his own reproduction, is presented to him as someone else's property, belonging to capital. This product is presented "immediately" to the very worker who produced it, as someone else's property. The new worker, since he hasn't yet worked, doesn't have a product of his own labor. But a portion of the product of the older workers that exceeds what is necessary for their reproduction—that's why it's called surplus product —is also presented to the new workers as the property of the capitalist.

In the next chapter, if I'm not mistaken, this will come up. It's what Marx has been saying about capital leaving its own reproduction to the workers; capital doesn't need to worry about that (very generally speaking) because the worker is faced with their own living conditions as property belonging to someone else, and so, if they want to reproduce their life, they have to make that labor power they produced available to… They have to buy commodities, their means of subsistence. They bought their means of subsistence, they reproduced their labor power, and to have access to the means of subsistence again, the only thing they can do is sell their labor power again. Those means of subsistence then revert to the capitalist as property. And if they didn't sell their labor power to the capitalist, they can't access their own means of subsistence. I don't know if…

Aristides: Can I add one more thing? What begins to emerge in the previous chapter is this idea that, on the one hand, it goes beyond a single cycle in relation to capital accumulation; there's even the figure of the spiral. At the same time, I also said that the issue is no longer just one capitalist versus his workers, but rather all capitalists versus workers. And on the other hand, there's this idea of workers not only individually and collectively (the collective worker), but also from generation to generation. That's where the question of knowledge and material attributes, of skills, of the moral element comes in… as if it's transmitted from generation to generation of workers. So, there it appears as " social capital"… The working class as the variable part of capital, and there, this variable part, in this transmission from generation to generation, takes on a meaning, a slightly more nuanced content emerges… of labor power as part of capital, in the sense that when we look at the cases of white Americans…

JIC: The cotton workers.

Aristides: Right, and the employers said that if they let them go, their capital would lose value. So, I need knowledge and all that to be passed down from generation to generation. That's where I could see the moral element as presented even more clearly in the previous chapters.

JIC: All the workers' consumption is consumption for capital. And the value of labor power can include those use values that, throughout the history of the exploitation of that labor power, have been necessary to valorize and accumulate that capital. So, if certain productive attributes have been developed and capital continues to need them, the use values corresponding to the production of those attributes must be included in the consumption of the working population. But I don't know if that's what you meant, Aristides.

It's important to consider that the unity of the movement is developing more and more throughout all of this. That's why I thought, Javiera, that you were pointing to this. Where in expanded reproduction (it's implicit in simple reproduction), what remains in this expression is that the surplus product, that part of the product of this cycle/year, must have the material form necessary to expand production in the next cycle. What is developing and emerging is this: now, what we see is that however chaotic capitalist production may be—because it lacks direct regulation—it has as a condition of its movement the material production of the use values—whether means of subsistence or means of production—needed to expand production in the next cycle. When one looks at it, one says: well, surplus value was produced, the surplus value became new capital that was put into operation and produced more surplus value, etc. And it doesn't simply happen like that. Materially, it has to have been produced; there has to be a unity in social production.

It is a private production. But what is becoming clear is that, if when we look at Chapter IV, in the cycle of capital what appeared was that there must be these commodities, these material means of production, and there must be this labor force with material productive capacities, now what is becoming clear is that the reproduction of the movement is conditional upon the capitalist having produced the additional means of production that capitalist B will need, and the circulation, and B must in turn have produced the means of subsistence that the new workers of capital Z will consume. And so what is emerging is a material intertwining of social production. Where the movement of reproduction is not simply the movement of an individual capital, it is the movement of the total capital of society, which has this characteristic of possessing the material forms that serve for expansion in the next cycle. And it is not an abstractly individual problem, but rather a social problem, a problem of the total capital of society. The total capital of society up to this point has no way of saying, “We need to produce this, don’t stop producing that, because to open the next cycle we have to produce this.” And that leads us to a problem I will raise later. But we had been observing a contradiction in the movement of capital, which was the socialization of private labor. What is developing now is another contradiction.

We observed that individual capitals act as independent subjects, indifferent to one another. But when we examine this issue—whether it be the length of the working day or the availability of labor power—having it always available, and therefore having a surplus—we see that the subject of the valorization process is not simply individual capitals, but rather the total capital of society. This was a problem, a contradictory need of the total capital of society that individual capitalists could not satisfy. What we are seeing with this concept of reproduction is that it now appears to us that, *materially,* individual capitals depend on one another in the sense that if capital A did not produce what capital needed, then capital cannot function again. And consequently, the contradiction we had, which was who the subject is, is resolved: the subject is the total capital of society, but the total capital of society only moves through the movement of individual capitals. How are individual capitals recognized as organs of the total capital of society? How does this capitalist know that his capital is actually functioning effectively as an individual organ within the total capital unit of society? If each capital moves

chaotically, there is no "indicator" that allows an individual capital to recognize itself as an organ of the total capital of society in its process of valorization and reproduction.

Javiera: The state, right?

JIC: Well, but it's outside the movement of individual capital. Because the state can impose *conditions* on the movement of individual capital, but it can't dictate whether it should produce more or less, whether it should use this technique or not, because if the state could govern all of that, then one would have, *at least in production,* direct regulation, which wouldn't be unified with *consumption,* but which could be unified within the production process. Then this contradiction arises: the subject is the total capital of society, but its movement is carried out through that of individual capitals. How do individual capitals operate? Up to this point, it's *as if* total capital were "prisoner" of the whims of individual capitals, and this is another contradiction that will be developed further throughout Volume 1.

Ivan: Isn't there an initial answer in the chapter on "Machinery and Large-Scale Industry"? Because when Marx develops machinery as the most powerful form of relative surplus value, what he argues is that capital—let's say—consumes final commodities for consumption, and that it revolutionizes production techniques, expanding the scale of production. And by expanding it, they increase the demand for raw materials, the intermediate means of production necessary for the production of those commodities. Therefore, it requires that the "intermediate" phases, or the modes of production of private capital that create the commodities that are the means of production and so on in that final production process, also be revolutionized. And if we add that to what we saw in Chapter III, what we would see is that when capital increases the scale of production and creates more commodities, it generates an expanded demand for the intermediate commodities it requires for its production process. And if they are not yet produced on a sufficient scale, their price would increase, and as the price of those commodities increases there would be greater capital investment, or more capital would participate in that sector to get closer to solvent social demand.

JIC: I return to this: how can individual capital be recognized as an organ of the total capital of society if each individual capital is valued according to the surplus value it can extract from its workers? Then, we have a subject that does not represent the unity of its own movement.

Javiera: But isn't the state the representative of these individual capitals?

JIC: But the state can operate not within the production processes themselves. It acts by governing the unity of that production process, but it is not the bearer... Let me put it this way: here we have a living subject whose organs are completely uncoordinated, lacking unity in their movement. It would be like an organic body, an organic whole in which each part of the body does something; once it does something, it knows whether it did what it was supposed to do or not, either because the state reminds it, or because there is a movement in prices. But in the coming cycle, *so many of these commodities, these means of production,* are

needed. And there is nothing governing that this quantity of these means of production will actually be produced. So here we have an indirect unity that lacks the "expression" of the unity of its regulation. It is a subject, the total capital of society, that is "prisoner" of the chaotic movement of its organs.

Ivan: Put in the terms you're putting it, it's like going back to Chapter I and facing the problem that... Javiera laughs and it makes me feel insecure, but... [Laughter]. No, just kidding. I mean: it's like going back to Chapter I and seeing the contradiction of a social metabolism that happens indirectly.

JIC: The unit of that process.

Ivan: Now, looking at the different sources of capital, seeing that process much more developed, I mean, unity is generated… like taking Chapter III again, but from a different perspective, from multiple sources…

JIC: It is generated by continuing with Volume 2 and continuing with Volume 3 [Laughter], that's where the generation of the unit is.

Aristides: But there's the rate of profit, isn't there?

JIC: What do I know, that's Volume 3, so I don't know [Laughs].

Javiera: Also, didn't we say that it was an automatic subject? I mean: the formation of the profit rate comes later, but what's fundamental is that it's an indirect relationship and that it's an automatic subject.

JIC: But up to this point we have the problem that it is an automatic subject that has organs, and there is no unity in the movement of the organs.

Javiera: Yes, exactly… I just wanted to bring this up. Because I thought that in Chapter VIII this was resolved with the appearance of the state regulating these individual capitals, who, if it weren't for the need for total social capital, would do whatever they wanted with labor power, right? And now, listening to you, I don't really understand what's resolved there, when the state intervenes in Chapter VIII. Is it the regulation of the value of labor power that's resolved?

JIC: When the state acts, it's expressing the unity of the movement in the arena where it operates, but what we have here is that within the organs... Perhaps I got carried away and raised this prematurely, but later we'll see the contradiction before us: it's a unity whose individual organs have no expression of that unity within themselves. But let's leave it at that and see you next Wednesday.

[II]

[The unity of development] [I]

We started with expanded reproduction. In what we had looked at regarding the process of surplus value production, we basically saw how surplus value arises from capital. And now, looking at this process of reproduction on an expanded scale—not formally, but *actually* —what we see before us is how capital arises from surplus value, how it generates itself on the basis of being the product of other people's labor. And the axes we had seen were basically the appearances of circulation, which we had already begun to see when we looked at simple reproduction, and here what we have is the full manifestation of that appearance that private property prevails in the buying and selling of labor power, and that the production of commodities is based on labor itself. And here, from the outset, we saw capital arising as a product of the unpaid labor of workers, how the labor power of new workers is bought in the accumulation process with the surplus value that was extracted for free from the old workers in the previous cycle. And how, then, beyond the capital that might have originated with the capitalist, which we had formally seen consumed in the capitalist's individual consumption, how does all that original capital become an increasingly insignificant magnitude in relation to the capital that accumulates through the transformation of surplus value into new capital? And I don't know if we had made much progress. I think we started by closing some chapters on simple reproduction, because what follows, I don't think, we had seen.

Aristides: In my opinion, we didn't finish the first one, because of what's in the text.

JIC: We had left off there, because what came next was precisely a central issue regarding the method, and it is like a synthesis of why the development with which we got here has the form it has.

Ivan: How do we understand the character of the doubly free worker now that we see that the worker is a property of capital?

JIC: It remains doubly free. The development that follows has to do with that, but the determination as doubly free, what we see is that being doubly free was being alienated in capital. Now we see that this alienation takes the concrete form of being an attribute of capital throughout its lifespan, and that it belongs to that capital as an individual that is free.

The worker has to take care of his own reproduction; it seems he does so out of self-interest because it's the way to reproduce his life, and he does so by having to reproduce himself with the attributes that capital demands of his labor power. And it appears how the worker is always compelled to this through his freedom, because in his freedom he sold his commodity, and now the conditions for the reproduction of his life confront him as commodities that don't belong to him. And as a free individual, he goes and buys those commodities; he can't do otherwise. But this isn't the relationship of the slave to the master or the serf to the lord; it's

the relationship of the worker to capital, not to the capitalist; it's not a personal bond with the capitalist. And as soon as the worker consumes those commodities he bought, the fact that he acted as a free individual who bought the commodities and now appropriates the use-value, which is proper to the free individual, of those commodities that are his, is what puts him in the position of having to sell his labor power again. So, what emerges is this movement; it doesn't disappear. We are now facing a process in which what we initially saw as the relationship between commodity owners, then between capitalist and worker as owners of money and commodities, but still as owners of commodities, remains the form this movement takes. What we are discovering is that the content is the complete opposite of that form.

What Marx is proposing—and I think this is what we hadn't quite grasped, because he refers to this—is that the form of appropriation remains private property, yet its content is completely different; it's the opposite of what it initially appeared to be and of what appropriation itself is. Because there is still an exchange of equivalents, but what capital delivers as an equivalent is the product of what it previously extracted from the worker without any equivalent. The point is: it's not when you look at an individual worker, it's when you look at the working class, look at the capitalist class, you're looking at the total capital of society. Because capital hasn't taken anything from the worker who is just joining production for the first time, because it hasn't yet extracted surplus value from him. But if you look at it as a class, the old workers—that is, it's the product of the unpaid labor of the working class with which the labor power of the working class is bought—and so, there is an exchange of equivalents which means that more labor is given than is received in return.

This is where Marx first observes that the right to property seemed to arise from labor itself, because he doesn't explicitly state this when examining the appearances of circulation; he mentions private property, and one can go back to the previous section and ask: where does private property come from? It was the condition for having full control over one's own individual labor, and so it arises from private labor, and the only private labor one knows is one's own labor. Well, and now it appears with this development. And Marx will summarize this by stating that if at the beginning there seemed to be an identity between labor and property, now what becomes clear is that there is a separation between property and labor. Let me clarify, this is always from the capitalist's point of view: the worker's private property over their own labor power is private property based on their own labor, but for capital, private property has been completely reversed. Is this clear?

Ivan: Yes, it is becoming clear that he is alienated both in his commodity and in the social relationship, in the total capital of society, or that by being alienated in the total capital of society, the most concrete form is that he is alienated in his commodity, labor power.

JIC: Yes, here it's no longer simply alienated in the commodity. What has emerged in the development since Chapter IV is that both capitalist and worker are alienated in capital; these are attributes of capital. One might say: but it's no longer

alienation in the commodity. Let me put it this way: when we looked at the commodity producer, he was a free individual who had private ownership of his own means of production, who consequently had full control over his individual labor; he had no control over the social character of his labor, and therefore had to submit his consciousness and will as a free individual to the domination of the social powers inherent in the product of his labor. The product of his labor is commodities; what he knows he has to produce is value.

If we now look at the commodity producer… And I'm going to take it as it is in Marx's development; I'm not going to add that it also organizes its own work with a scientific consciousness or anything like that, but it is no longer an individual: it is a collective individual made up of doubly free individuals who do not have private ownership of their own means of production, who only have their labor power to sell, and who consequently enter the production process as a collective that does not have full control over its collectively individual labor, because that part of that control belongs to the capitalist. Each individual does have some control over their purely individual labor. But at the same time, the one who has full control over that collectively individual labor does not have control over the general social character of that labor, and consequently places the labor power of this collective worker at the service of the social potential of the product of its labor. What this collective worker has to produce is no longer value, no longer commodities; what it has to produce is capital, and capital is accumulated surplus value. This is the development of the alienation of the worker as an attribute of capital. I made a few horse changes midstream, which isn't advisable, but oh well. It must have come out because of the anniversary of Perón's return to Argentina. Right?

Ivan: I'm a little lost with that last answer, actually. I mean, so you're saying he wouldn't be alienated from his commodity? When I said "commodity," I meant "commodity labor power."

JIC: He is no longer *simply* alienated in his commodity; he is alienated in capital. Because he is subject to the dominion over his person that the product of his labor has, and the product of his labor is not simply his labor power, it is capital. One can say that with the product of his labor he replaced the value of his labor power, but that does not constitute the essence of capital; what matters is that it produces surplus value. So, he is alienated in capital. In the capitalist mode of production, all individuals are alienated in capital; we are attributes of this general social relation. The capitalist as the personification of capital, the worker as the personification of labor power *for capital,* which belongs to capital—taking the expression that appears in Marx's development where the workers are not the organizers of the labor process.

Ivan: But here, too, there's a shift in how we conceive of freedom. We had seen that freedom, or our form of consciousness, was a product of our alienation to the commodity. And so, what we would see now is that our form of consciousness is a product of alienation to capital, that is, this general social relation whose simplest element, its simplest determinant, is commodity production and private labor. But here, too, there would be a leap in that respect.

JIC: Yes, alienation is in capital. Now comes the explanation of why development is done the way it is.

[…] [274]Aristides, did you want to suggest something?

Aristides: So, with this new development, the doubly free character of the worker remains, but what then vanishes is the character of the capitalist or the capitalist class. The fact that the appearance of circulation, where equivalents are exchanged as products of labor, doesn't actually exist here, because capital needs to start from the appropriation of the non-equivalent, which is what constructs surplus value. So, this ownership of the non-equivalent is what capital needs to accumulate; that's the part that vanishes, becoming evident as being based on the labor of others.

JIC: It becomes clear if one examines the entire process, but in the movement of circulation, appearance still prevails because the form is an exchange of equivalents. Precisely, what follows in the development that Marx will present is: well, this seems to violate all the conditions we observed regarding the exchange of commodities, the four appearances that conceal the content, which is the opposite of what it presents itself as. And it seems to violate… he will specifically mention the exchange of equivalents; it still has that content opposite to what it seemed, it is the content that continues to manifest itself under the appearances we saw before. It's not that this contradicts the laws of circulation. None of these inverted contents contradict the laws of circulation. In circulation, worker and capitalist participate as private owners, they pursue their self-interest, they exchange equivalents—because the worker sells labor power for its value and the capitalist pays for it at its value—and each pursues their own self-interest.

What Marx emphasizes throughout is precisely that capital doesn't have to concern itself with making the worker a forced laborer. It is the worker, through their individual consumption, who constantly reproduces themselves as a forced laborer. Now, the worker cannot stop consuming individually; it's not that the worker becomes a forced laborer by choice, but because it is the condition for the reproduction of their life process. So, what we have is this: the content is the complete opposite of the form, but that content has that form. It's not an adulteration of the relationship, which the capitalist uses to deceive the worker; it's not a falsification: it's the necessary form of the relationship. Precisely when he makes that first observation about the appearances in the circulation of the buying and selling of labor power, he says that this is where the ideologues of capital will look for the explanation of what the relationship between worker and capitalist is. And what he's proposing here is: of course, if you look at it in terms of circulation, it seems to be this. As one progresses in production and then in reproduction, what one discovers is that it's the complete opposite of what it seemed. But that's the way it is; it's not a "degeneration" of the form. And that's why he's going to explain the reason for all the development that has taken place up to this point, which

[274]They cut due to a technical problem and are recording again at this point.

repeats something we also saw in the chapter on simple reproduction when he faced that same question.

The question that arises is: if this is the content, why don't we start here? Everything would have been clear from the outset if we had started here. And the answer given is: to discover this, one doesn't have to look at a capitalist and a worker, one has to look at the capitalist class and the working class; that is to say, one has to look at the unity of the social life process. But to begin by looking at the unity of that process would be to begin in a way completely alien to the form that the capitalist mode of production, the production of commodities, takes. Because commodities are not the product of the working class and the capitalist class, and when one looks at a commodity, it is first and foremost the product of individual labor. And what one sees when one looks at a commodity is that what is confronting each other are not classes, but mutually independent individuals, and they confront each other as buyers and sellers. That the relationship they have ends the moment the sales contract is finalized, and that the renewal of that sales contract is each time a new act that has nothing to do with the preceding act. So what he's saying is that if one says they're going to look at this content in the unit, instead of starting with the simplest determination presented by the capitalist mode of production, it would have been starting in reverse. And he says it directly there:

> […] if we want to analyze, according to its own economic laws, the production of commodities or any phenomenon that forms part of it, we must examine each act of exchange in isolation, apart from any connection with the one that precedes and follows it. And since both purchases and sales always take place between certain individuals, it is not possible to look for relationships between entire social classes in them [275].

So, there are several things from a methodological point of view. Because the first is that if I'm asking about this social relation, I have to start with the immediate form that this social relation presents. Otherwise, I have to start making abstractions from that immediate form, and what I'm going to do is get stuck on appearances. I'm going to turn concrete forms… Classes are concrete forms of that simplest social relation; they spring from that simplest social relation. If I separate them from their content as commodity relations, and therefore start by asking about classes, trying to answer the question about classes, not asking—and I didn't answer—what a commodity is, I will have turned those concrete forms into abstractions. The second thing that becomes clear from a methodological point of view is that, if at the beginning, when we started, the starting point seemed arbitrary, now what we see is how the development itself shows the necessity of the starting point. And the third point that I would like to emphasize here is something we already saw in a logical representation. If, when one progresses to more concrete forms, one does so by making simplifying assumptions, and what was found in the abstract form does not hold true for the concrete form, there is a contradiction, which renders the discovered abstract form false, or trivial. And what we find here is that, of course, the concrete form is the complete opposite of the simplest form. It is the complete opposite of what we saw in the form of

[275]Marx, K. (1977: 494), *Capital,* Volume 1. Mexico City: FCE.

commodity exchange. So, far from showing us that what was at the starting point is false, what it shows us is that it is the simplest determination of this entire concrete form, which appears to be the opposite of the simplest form.

So, for me, this part, from a methodological point of view, is a very rich expression of how we are progressing. It's not about establishing simplifying assumptions, but rather about discovering a form that contains potentialities to be realized, and then unfolding those potentialities through thought. And since what we are accompanying—these potentialities—are the real potentialities that these simpler forms have unfolded, what we are doing is reproducing the concrete reality in thought.

Ivan: I don't have much more to say, but I find it incredible that Marx, having reached this point, had the capacity to abstract, to focus on a single point, I don't know, the commodity and all the potential he could find in it, abstracting it in that analysis of the entire set of relationships, and then encompassing it in the unfolding he was doing. I think it's impressive.

JIC: Marx would surely have told you: “I don’t do abstractions, this is analysis.” The other way of analyzing, separating what is repeated from what is not repeated, he says: that is not analysis, that is abstraction.

Ivan: What would it be like? Because I use abstractions as...

JIC: And he also uses abstract form, concrete form… he uses it too. But when in The *Poverty of Philosophy* he refers to the analysis that corresponds to a representation, and he does it… I don't remember exactly, but: there is part of the body, and from the body remains the figure, and from the figure remains the line, and from the line remains the point; and he says: that is not analysis, that is abstraction. And he compares it to the things that Proudhon does. That's why it's important for me to start the workshop the way we started it.

In the first meeting, we looked at social classes; that was the first thing we examined, asking ourselves: Okay, so we have a situation of antagonistic class relations. And why is it antagonistic? Because of income distribution. But what is income? Income is wages and profit. But why is it profit? How are we going to answer that? And emphasizing this point: one could stop the discussion there and be satisfied, saying, "I know what I have to do, or why there is class struggle, because there is an antagonistic relationship due to income distribution, I know what this is." Or one can continue questioning the necessity of what one has found, what need gave rise to what is before one. And that when one does this within the capitalist mode of production, wherever one starts, one will arrive at the commodity.

In general, what happens with the workshops of capital is that this path isn't followed; instead, it's: well, we start with the commodity. So, one of the things that emerges is that this is an economics book. What is the commodity, where should it be classified? In economics. So, for me, this path is fundamental. And at this point, I'm going to raise something related to the method, which is very evident in Volume 3, but you can already recognize it here. Because the exposition structure

of Volume 3 is almost twofold. It's: we already know what the determining factor is, what we're seeing is how it's carried out; and at the same time, it's: well, but whoever looks at it from this perspective and stays here, will see this and that. This is implicit here, when it says in Chapter IV: well, that's where economists will look for the secret of the capitalist mode of production, in circulation; and what it's saying is that they get stuck on that appearance, on the appearances of circulation. But then, when one looks at the whole structure of *The Capital,* if you look at it from the other side, is the entire development of the analytical process. And the last chapter, which remains unfinished from the drafts of Volume 3, is called "Social Classes." What is the immediate appearance of the sources of income? What are social classes? They are income recipients. That is the immediate phenomenon.

Many Marxists argue that Marx never actually wrote about social classes in *Capital,* precisely because the chapter is incomplete. However, the entire structure, the entire development he presents in *Capital* from the commodity onward, reveals the determinants of social classes; he is discussing social classes.

Xatan: Before we continue, has the first question Ignacio asked been answered? I don't know if I was recording when it was asked, the one about: "Isn't the need for capital to valorize value? I ask because you mentioned that it was to generate surplus value."

JIC: That's valorizing value. But it's not just that; what we're facing now is also its self-reproduction. The valorization of value—I'm saying something outrageous, but one could put it that way—is the "vehicle" for capital's purpose, which is to reproduce itself on an expanded scale. Now it's present in the fullness of its condition as a subject. What it does is produce itself, and, like any subject, multiply itself. The problem isn't simply the production of surplus value; the issue is the reproduction of capital. Because what will now emerge is how new determinations of the human life process arise from the reproduction of capital, determinations that, when we looked at the simple production of surplus value, appeared hinted at, but not fully developed. Is that clear?

Ignacio: Juan, but is reproducing capital the same as reproducing value?

JIC: It's about producing surplus value with surplus value. Because this is how capital arises from surplus value. So, the movement of capital is to produce surplus value, but capital itself arises from surplus value. What we're getting at is… I think I must have said it in these terms, I don't know, because sometimes in the workshop I hold back more, but in the courses I say it more bluntly, when you finish the section on "Absolute Surplus Value." And here we're not yet fully in that development, we haven't yet exhausted that development. But when you finish the section on absolute surplus value, you say: capital is the concrete subject of this process of alienated human life as the life of capital. But it's a subject that doesn't set its own conditions. Labor power comes with productive attributes that are not a product of capital: it comes just as capital found it. The techniques of production come just as capital found them. The working day is subject to the techniques of production, to the intensity of labor that capital found, and to the reproduction of labor power. But since the reproduction of labor power is not determined by

capital, but rather by the conditions it finds, capital is an entity incapable of setting its own conditions. Furthermore, the origin of the initial capital is unknown. The origin of the workers who sell their labor power is also unknown: they simply exist. These are all conditions imposed externally by capital.

As we move forward—and it is in "Relative Surplus Value" where the first substantial transformation occurs—what we find is that capital establishes the material conditions of production, the intensity of labor, the working day, and determines what happens to the workers. But when we enter the realm of reproduction, what happened outside the production process… […] a production process that […] up to that point we understood as the production of more value from existing value. What emerged is that, while we already knew capital as the subject of all determinations within the *production process,* now we see that it is *also the subject* in the *reproduction process,* in this sense that the working class is an attribute of capital even within its individual consumption process. If in relative surplus value capital establishes the production techniques, the intensity of labor, the working day, in reproduction what we see is that capital produces labor power according to its own needs. If he was going to demand *this* intensity, *these* productive attributes, *this* work schedule, he is the one who makes sure that he has those attributes.

But what also emerged in the process of reproduction is that capital, as a subject, didn't simply produce itself once and then reproduce itself again, always starting from a condition prior to its movement—that is, the starting point of its movement. What we now see is that the starting point of its movement is the production of more value. It doesn't begin as a value that produces more value. In reproduction, the starting point is that it is surplus value that is put to work to produce more surplus value: that is capital. It is a subject that produces itself, that sets its own conditions, and that produces and reproduces human beings as its own attributes.

At the end of the chapter on simple reproduction, we see that it doesn't just produce commodities, it doesn't just produce capital: what it produces and reproduces is the working class and the capitalist class. So we have it in its fullness as a subject. And now we're going to see what else it does as a subject. To what extent is it the concrete subject of this process of human metabolism? Because up to this point, this is the way human life is organized. It's inverted: the human being has become the object of this subject. What we're going to see next is what this inverted subject does to that object. Because up to this point, it simply turns it into an instrument of its own reproduction, at the expense of all the things we've been seeing (the mutilation of the worker, etc.). But there's still more to what it does, where it becomes fully evident that the inversion is absolute, that the life process of this social relation implies the negation of the life process of a part of human beings, of a part of the working class.

Ivan: In Chapter III, Marx argues that the limit to the working day is a product of machinery. But of course, when faced with that, one might understand it as Marx also presenting in that chapter that, with machinery, capital effectively subsumes the working class and the production processes, and that machinery is the form, but in reality, the content is that what is limiting the working day is capital's own

need to preserve the worker's productive attributes, a consequence of machinery allowing for the intensification of labor, and transferring control of the work process, work rhythms, and so on to management or capital.

JIC: Yes, to the machinery.

Ivan: Well, but the machinery is controlled by... Although the machinery itself establishes a rhythm imposed by capital.

JIC: Yes, yes, it's there. But we still need to consider what happens to the worker when they go home. You look at it and think: of course, since it ends there, the only thing they can do is start over. And each beginning appears as a start from scratch. Now what appears is a continuous movement where this subject, which is capital, generates itself. That's why the reference to primitive accumulation, the capitalist's original capital, came up, because that, the starting point, is the only thing that remained external: everything else is the movement of this subject multiplying itself. We'll look at this later, when we get to it. Is there anything else you'd like to bring up? Shall we continue?

Aristides: I think the second point you made regarding the method concerned the reasons why we started with the commodity or market exchange. So, the expressions of consciousness would remain with what we've seen up to this point, so to speak. Beyond the fact that, as you said, we are now advancing the developments and discovering the content of those forms, the consciousness of the working class, for individual and collective subjects, remains in the same place. We live in a society of individual freedoms and, let's say… that's the form that not only individuals, but all of political economy, liberal thought, etc., are confronted with.

JIC: Yes, they get stuck on the appearances of circulation. And one can take the arguments that appear as critiques of these appearances of circulation: if they don't address these underlying issues, then what emerges is that any movement that transcends these determinations must spring from outside the movement of capital itself. And then it appears that the working class must have a free consciousness that produces itself outside the process by which it reproduces its labor power, the process in which production operates. And this is what emerges in critical political economy, the idea that there has to be something external to capital, otherwise, this can only reproduce itself indefinitely; and the worker has another consciousness besides the consciousness that is an attribute of capital—it's not an attribute of capital, let's say. But it's the argument that is absolutely... present.

Aristides: So, the issue of exploitation here, in critical political economy or in some Marxist perspectives as well—that emphasis you mentioned at some point—has to do with this, with focusing on the irrational aspect, or only considering when capital exploits the working class in terms of altering that "equality," that is, when they are paid far below their value, or when they perform many tasks, or when… They tend to place it in that position and not in this one… capital is based on the ownership of other people's labor. Would that be it?

JIC: No, because they see it as the appropriation of the product of someone else's labor. Some will say nothing, but others will say: the worker is exploited because he gives more labor than he receives in return, and this is unjust. What Marx is showing in this development is that the buying and selling of labor power is the expression of what is just from the point of view of the circulation process, and its content is the opposite of what appears. And indeed, the worker is exploited by capital on this basis. Now: in what we have been looking at so far, what we have is that the consciousness, the personal attributes of the worker—as a class, moreover—are a product of capital. And therefore, if the working class possesses any potential to overcome the capitalist mode of production, it can only possess it as a product of capital. That potential has to spring from the very movement of capital, because up to this point all the determinations of the working class have been presented as an attribute of capital. What they do at that point is say: no, if capital determines everything, then there can be no transformative action.

Then there are different perspectives; one is: no, but if the worker is a free individual, and as a free individual, asserts their freedom by confronting exploitation; if they do so with sufficient conviction and enthusiasm, they will overcome capital. In these arguments, the worker's freedom is seen as external to capital, as alien to capital, and what we are looking at is that the worker's freedom is an attribute of capital; it is capital that makes them free. This is one perspective. Another perspective is directly this: it is in "human nature" to resist being exploited, but exploitation is not the extraction of surplus value or equivalent payment, nothing like that; exploitation is the history of humanity, and the history of the exploitation of other people's labor. So, the history of humanity, if we are going to call different stages of historical development "classes," is the class struggle, and capitalism is a form of the class struggle. This is Holloway's old position; Then it becomes simply that we don't have to recognize ourselves as a class… what we were seeing last time. And then there are multiple… So it's a problem of "income distribution," it's in the " human spirit"… That's the kind of argument that appears strongly within Marxism. I don't know if what you're saying is more or less clear, Aristides.

Aristides: Yes, yes, that's what made it clear to me. The chapter was very good too.

JIC: That's why it's such a rich chapter, beyond the content itself, because of what it says about the way it's developing, the unfolding it's doing, why it's following the course it's following. Then there are the others, those who say that *Capital* should be read starting with Chapter IV, those who say that it should begin with the chapter on primitive accumulation…

Aristides: Of course, if you skip that development you've destroyed everything, because it necessarily happens that by misunderstanding, something will be left lame, so to speak.

JIC: You're going to have started by focusing on appearances. And one has to ask oneself what the political necessity is of approaches that reverse and skip parts of

development, what ideological need is concealed under those forms. Ignacio, I don't know if you wanted to raise a point.

Ignacio: Yes, but it was something else, because you just mentioned the history of humanity as a class struggle, and I came to make a comment or ask a question about that. Do you remember when we criticized that phrase? The other day I was reading the Akal translation, which said that the “driving force” was the class struggle.

JIC: Akal's translation, but of what, of the *Manifesto* ?

Ignacio: No, it was a note Marx made. It was the same phrase, but the translation was that it wasn't the engine, but the "propelling force," which would be different, because where does force come from? It's different from saying it's the engine directly.

JIC: Tell me where it is, because I lost track of it and I've been looking for it all the time... […] Look for it and send it to me later, don't worry.

[…] Okay, is there anything else, or should we move on? We've already seen the whole picture, but what it reveals is that, if you look at each act of exchange separately, the laws of commodity exchange are respected. And yet, the way social wealth is appropriated is completely inverted. So, the capacity to accumulate wealth that appeared to spring from one's own labor actually springs from having the means to repeatedly appropriate the product of others' unpaid labor.

What will now serve as the central focus is the full unfolding of the necessity of the starting point, established by development itself. When does this result we were observing arise (that wealth is not the appropriation of the product of one's own labor, but the gratuitous appropriation of the product of another's labor)? When there is wage labor, when the worker freely sells their labor power as a commodity. And now what will be raised is how this relates to the explanation of the starting point. It states: but that moment, when the worker becomes a seller of labor power, is the moment from which commodity production acquires the general character of social production, where all social production takes the form of commodity production. And then the entire product of social labor springs from this process of private labor in its capitalist form, and all that product moves through circulation. It is only on the basis of wage labor that commodity production develops.

There are two things, and I'll come back to this point later. But if we look at the starting point of the first paragraph of Volume 1, what it says is: in societies where the capitalist mode of production prevails, social wealth appears as an immense accumulation of commodities. And *only in those societies.* And so here the necessity of the starting point and the unity of development with the starting point are completely established. It is capital that established the starting point, because the "immense accumulation of commodities" is the product of capital. And that's why one starts with capital itself as the subject, but one couldn't recognize it as such. At the outset, one couldn't know what the relationship was between capital and commodities other than that wealth was an accumulation of commodities.

Now what one has before us is capital, which is what one was looking at when looking at that accumulation of commodities. But, as I was saying, the commodity is the simplest form. Well, we have to look at the simplest form, and in the simplest form, all that was before us was the fullness of social labor done privately and independently, sustained by private property based on one's own labor. What we then saw was the socialization of that private labor. So here we have the complete unity of the starting point with its development and how development underpins the starting point.

What Marx is going to present next is a critique of the arguments that continue to be relevant (I've just been asked to participate in a discussion on market socialism). And Marx is going to make an observation here, which is a critique of the arguments we already saw from Owen and the anarchists. He says:

> To say that the interposition of wage labor distorts the production of commodities is equivalent to saying that the production of commodities should not be developed if it is not to be distorted.[276]

In the letter Marx wrote after being asked his opinion on Proudhon, following Proudhon's death, he expressed a similar sentiment, albeit in different terms: they want the bourgeois regime without the consequences of the bourgeois regime. Thus, they want commodity production without the consequences of commodity production, and the consequence of commodity production is the development of capital.

There's something else here that relates to what we've already discussed regarding the simple production of commodities as a general formula for the organization of social production and consumption. Is the first section simply looking at the commodity in its simplest form, or is it simultaneously discussing a historical stage in the development of social production based on commodity production? Again, the argument that's very present now is that the historical character of simple commodity production as the origin of the capitalist mode of production is attributed to Engels, not Marx, even though there's a direct quote from Marx in Volume 3 that says exactly that. As you examine the development, it becomes clear that Marx is viewing the development of the capitalist mode of production as stemming from the historical development of simple commodity production. Because what he's going to argue here is that:

> As this production [JIC: commodity production] develops, obeying its own immanent laws, to become capitalist production, the laws of property inherent in commodity production are exchanged for the laws of appropriation of capitalism [277]. ”

So, here the process of the genesis of the capitalist mode of production is viewed as a process of development of the simple production of commodities. I also always maintain, from my point of view, that beyond whether it is indeed the historical

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[276]Marx, K. (1977: 495), *Capital,* Volume 1. Mexico City: FCE.

[277] Ibid. And Marx concludes with the footnote in which he says: “We must admire, then, the ingenuity and subtlety of Proudhon, when he intends to abolish capitalist property, opposing it with the eternal laws of property of the production of commodities!”

genesis of the capitalist mode of production, what it shows, what allows us to unfold this starting point of the commodity in its simplest form, which is the product of the labor of a free individual, the private owner of their means of production… what it contains is the content of the unfolding of the determinations inherent to the capitalist mode of production. But it is always important, especially because there is this discussion, to emphasize that Marx is stating it verbatim, that the development of this simple production of commodities is the historical genesis of the capitalist mode of production.

Well, there's this thing about the capitalist's original capital gradually disappearing, becoming (to borrow Hegel's term) a " *magnitude" " evanescens,*" not with the transformation one might call "formal" that one saw in simple reproduction, but rather it is present. But what it will say here is: well, the original capital vanishes, because the mass of capital is accumulated surplus value.

2. Erroneous conception, on the part of political economy, of reproduction on an expanded scale.

Then I have a critique that Marx makes of Smith that I've marked. First, to understand the critique, you have to know Smith's approach, which doesn't use the term "value," but rather "exchange value." And he has two distinct explanations of "exchange value." Actually, four, but two are very distinct, and Smith presents them as if he were always saying the same thing, when in reality he says completely different things, and he mixes the explanations together. What happens is that when he needs to develop one part of his argument, he looks at one of the explanations, and when that explanation doesn't work for the next part, he jumps to the other one as if it were the same one he started with, and then he jumps back to the first one when it works again. But it is from these mixed, contradictory developments that Smith makes that the main lines of political economy emerge, both classical and neoclassical. I don't know if it makes sense for us to dwell on this, because now I see that it requires so much prior explanation that… You tell me.

[Everyone votes yes.]

I'll try to do this very quickly. Smith has four answers regarding the determination of *exchange value* that these differences have. First, he says: it's the quantity of labor that can be commanded, the quantity of other people's labor that someone can command if they have the commodity. And that refers to wage labor. But then, for Smith, that reference to wage labor has a problem. So he's going to try to explain why labor is the cause of value. And what he's going to say is that labor is a sacrifice of freedom and happiness that produces pain and fatigue, and that therefore the value of labor is being freed from having to do the work, it's offloading it onto someone else, because one can command the labor of another if one has the commodity or use-value. Then he has the explanation that it's the quantity of labor that was expended in producing the use-value—because for him, the commodity is the natural form of the product of labor. And there is another explanation, which is that exchange value is a sum of natural prices, that the

natural price of labor is wages, that of capital is profit, and the natural price of land use is land rent.

So, to be very concise, one explanation states: all exchange value is a product of labor; it is determined by the quantity of labor. Therefore, all exchange value is a product of the worker's labor. But two deductions are made from the product of the worker's labor: land rent and the capitalist's profit. And so, the worker is left with the remainder. This is the explanation found in Ricardo, with a blend of the one that follows, but it is the explanation characteristic of approaches that explain the valorization of capital as a deduction from the product of labor, as a problem of income distribution, and not as the result of surplus labor. It's not that the worker is deprived of a portion of what they produced, but rather that the worker is forced to work more than is necessary to reproduce themselves. This is one aspect of political economy: everything is a product of labor, and these two deductions are made from the worker's earnings. And it has what is referred to in the Ricardian " class struggle " perspective, because, since it's a problem of income distribution, it's a problem of class struggle. And I should clarify that today in Argentina there's a whole school of thought strongly convinced that this is the case and that inflation is a consequence of class struggle. And this school of thought, among others, has a strong presence in the central bank.

The other explanation is this sum of the three natural prices. And when he develops this argument, Smith explicitly states that only wages are the product of labor; profit and land rent are not. This is the foundation upon which neoclassical economics will be built: there are three factors of production—labor, capital, and land—and each is remunerated according to what it produces. The worker has no reason to complain when receiving their wages, because it is the complete product of their labor; the rest is not. Smith then arrives at the inconsistency that, in the first explanation, it is clear that a change in wages does not affect the exchange value of the commodity, because it is determined by the quantity of labor. If wages rise, since the value of the commodity is fixed, it must rise at the expense of profit or rent. And precisely this is what concerns Ricardo later, because this is his explanation of the direction society is heading: what happens to wages, to land rent… but the exchange value of the commodity remains unchanged.

On the other hand, when you look at this other explanation of the sum of the three natural prices, what it says is: if wages change, the price of the commodity changes. Because they are three independent elements that are added together, if one changes, the sum changes. In the other case, it's a whole that is broken down into parts, and in the other explanation, they are independent parts that are added together to make the whole. Now, when it gives that other explanation of what the exchange value of a commodity is as wages + profit + rent, what it says is: + the cost of the means of production that were used. In this case, if we were to translate it into the terms we've been discussing (what determines the value of a commodity), it would be: surplus value + variable capital consumed + constant capital consumed. The value of the means of production is constant capital, living labor + dead labor.

Smith 's analysis is to say: if the exchange value of bread is the rent paid for the bakery because it occupies a piece of land + the baker's profit + the baker's wages, then we must add to that the exchange value of the flour… Well, but what was the flour at that time? The exchange value of the flour was the sum of the land rent where the flour mill was located + the flour owner's profit + the flour workers' wages + the cost of the wheat. But what was the exchange value of the wheat at the time it was produced? The land rent where the wheat was grown, the agricultural capitalist's profit, and the agricultural workers' wages. And Marx will use the term, repeating what Smith says: “and so on.” So, the exchange value of the whole product is a sum of land rent + capital profit + wages. And so, what Marx takes from this is that what this entails is a reduction of the value of the product to the product of value. But, having been reduced to the product of value, since constant capital disappeared, it seems that all application of capital... all that remains are wages, and that consequently, all capital accumulation is a purchase of labor power. And this has to do with the fact that workers will always find buyers for their labor power, because in reality, every application of capital multiplies the workers' consumption fund.

And then Marx criticizes this inversion of Smith's. He says: all accumulation is the transformation of surplus value—profit, for Smith there is no such thing as surplus value—into new wages, because the only investment of capital is in wages, and consequently, all accumulation is a multiplication of the demand for labor power. And something that shows how clearly Marx understood what the development of Volume 3 would be, is that when he gets to this part he says: all of Smith's reasoning rests on the words "and so on…," it has no foundation, it takes the problem for granted where the problem actually begins. But what he will develop next is that this problem we face regarding reproduction can only be seen when we look at the unity of movement, and this unity of movement is established in circulation and exchange, in the movement between the constituent parts of total production. And what he will say is: in §3 of Book Two we will analyze this true unity. And then he will raise (this issue is not raised here, it is in the reference to the second book), which he will develop in one of the last chapters of Volume 3, he again criticizes Adam Smith for investing in the product of value as if it were the value of the product.

Well, I don't know if you understood anything about Smith's super-accelerated development. It's not the central point of what follows. What we will continue to explore next is what happens to capitalist consumption and what happens to surplus value. Up until now, we understood that individual capitalist consumption exhausted surplus value, but that's no longer the case. And so we're going to confront this development. Is there anything else?

Ivan: There too, Juan, Marx criticizes Smith for thinking that the only work that generates profit... Because reinvestment in reproduction is only done by hiring productive workers, right?

JIC: In what sense?

Ivan: I read it as Marx criticizing the fact that they are not only hiring workers who directly produce surplus value, but also hiring, I don't know, supervisors... In other words, there are other expenses.

JIC: No. Because the only workers Marx considers in Volume 1 of Capital are productive workers. There is no other type of worker.

Ivan: And hadn't you presented the supervisors as unproductive?

JIC: No. It doesn't deal with unproductive workers; it doesn't say whether they are productive or not. It mentions the figure of the foreman; but it stops there and doesn't develop the topic further. And here, moreover, it matters for one reason. Because what we are looking at is how capital arises from surplus value, which produces more surplus value, and the only way to produce more surplus value is by purchasing the labor power of productive workers. That's why the entire discussion focuses on productive workers; unproductive workers don't appear. There are these references to the foreman, to some worker who might appear in a supervisory role, but the entire discussion revolves around the production of surplus value, and consequently, around the work of productive workers and the reproduction of productive workers. Let us remember when in the chapter on simple reproduction he speaks of the unproductive consumption of means of subsistence by the workers insofar as they do not reproduce the labor power, and that is the labor power of productive workers, this consumption is unproductive for capital because it does not produce labor, he says, which "enriches capital and the state", I don't remember.

Xatan: Excuse me Juan, but we did talk about unproductive workers.

JIC: Yes, we did discuss it. We said: well, what transformations occur in the materiality of labor, in the organization of the production process, when the collective worker becomes the bearer of the organizing scientific consciousness? And there we emphasized production, we included circulation, coercion, which—if one considers each of those two areas in their purest form—corresponds to unproductive workers. We also considered that the transformation occurs in those areas as well, the development of scientific consciousness also occurs in those areas; and whether these workers could recognize themselves as distinct from, or not, productive workers; and their status as subjects who carry the overcoming of the capitalist mode of production. That also in the organization of circulation… well, whether they are bearers of the overcoming of the capitalist mode of production, we'll see that for everyone later, we'll leave that for the end (we'll see when we get there). Well, see you next Wednesday.

[The unity of development] [II]

The central point last time was this question of the unity of development, which is now raised again: development itself, which necessitates a starting point, and how the appearances we've been observing conceal a content contrary to their form. But only by following the path we've been following could we discover it. First, we encountered its form, then the development of its content, and now what we have before us is why that form is necessary, how those forms are the carriers of the movement of capital. But I don't know if you'd like to propose anything for discussion.

Javiera: Yes, Juan. I was watching the video from the last class and a question came to mind that I think has to do with something methodological, with this idea of form and content. I was thinking about it because I was rereading the part where you talk about deception, and you also said that this isn't deception, right? Perhaps it's linked to this idea of why it needs to appear in that form when the content is completely opposite. I see something of Hegel there (I haven't read Hegel), like how I find this way of the content showing itself as its opposite form a bit complex. […] I was thinking about how, when explaining forms—and I'm speaking generally here—one can be a bit blunt and say: no, this is the true content, and the form isn't the opposite of the content, right? I mean: it's the form, it presents itself as its opposite form, but it takes that form for a reason, right? So, I think that suddenly one can be a bit crude when posing this dialectical relationship, I don't know, I find it complex, I don't know if you can elaborate on that a bit.

JIC: Yes, two things came to mind in this. One is this observation that Marx makes in several texts; it's in *Capital,* I don't remember exactly where, if I'm not mistaken, and in other texts as well, where he states: if the content manifested itself identically to itself in the form, then scientific knowledge wouldn't be necessary; science only makes sense because the content of the phenomenon isn't identical to the phenomenon itself. If it were identical, one would look and already have the answer to what the content is. Now: Hegel, when he develops his ideas, they have the structure of confronting each other in a process that is actually inverted, because for him it's the unfolding of determination, but since it's also the engendering of determination by thought, he puts this. There's a first step which is—I'm putting it in these terms, which aren't necessarily exact—formal determination; the first thing I encounter is form. And, from my thought, that form springs forth as something external, something that is self-possessed. But when I begin to examine that form, to delve deeper into its foundation, what the form reveals to me is the content. Then I no longer have a formal foundation; now I have the content grounded. And the third step in development is: now what I have to unfold is why that content necessarily has the form it did.

If you look at the development of *Capital,* it's not that I have the formal explanation and now I have the explanation with the content, but rather the structure of the development is: I always confront the concrete object before me by its form, and now what I have to do is analyze it to discover the content. And once I've discovered the content, now I have to unfold the necessity of that content in its form—Marx uses the term a lot: in its *necessary form* —in order to have

completed the knowledge of that concrete object before me. The expression "the mere form" often appears—Marx himself uses it occasionally—and it's not the "mere" form: it's the form in which the content exists. That term empties the form of its necessity: thus the content exists; it's not that the content exists here and the form exists there. The only mode of existence that the content has is its form. When we looked at the method, I used the example of thought and words. Words are not the mere form of the content, of thought: words are the form that objectified thought takes. Even words are the form that thought takes even when it is not being objectified: when one is writing, one thinks in words. When one thinks, one has a thought that is not abstract in its content: it is abstract in its form. […]

So, form is the form of existence of content. You see this very clearly everywhere, but when you go through Chapter I and continue in Chapter III, you refer to the fact that value is quantities of labor; that's the content, you discovered it analytically. Then you say: but we have to return to the expression of this. And then what you're going to unfold is the form, and in that unfolding of the form, you're going to advance to money and so on. But in Chapter III, when the question of the unity between social production and consumption arises, what will appear, as you say, is this: value is never expressed in quantities of its substance, and that's not a defect of the value form, that's a virtue. Because since social labor is done privately and independently, and there's no immediate unity, the only way to establish unity is through the content not expressing itself quantitatively identically to itself in the form.

Because if I have something that says “10 hours of work,” and because there's some left over, I'm going to exchange it for something that represents 9 hours of work, I can't have a form that says “this is worth 10 hours of work,” or “9 hours of work”: I need a form where the amount of work is hidden. Then, it's worth more or less money, and the price can fluctuate. If value were to be expressed in quantities of work, it couldn't fluctuate. Although I keep this in mind because in what we did with Jesús [278], I used Cockshott and Cotrell, for whom value is quantity of labor, and consequently is ahistorical, to make the absurd claim that the organization of production will be based on hourly wages, but that if there's more demand than supply for one of those commodities, then they'll change the number of hours it represents. So, what I was saying is: are they going to put “9 hours” instead of “10 hours,” or if there's a shortage, are they going to put “11 hours”? So, I'm going to go with a voucher that says "10h" and I'm going to have to exchange it for one that says "11h" when I already knew it was the same thing, that they contained the same amount of time.

That's where the necessity of form arises. First, it's simply that it can never be expressed as a quantity of its substance, and that's already there because labor is private. So, no one has the authority to say that the product of their labor is a product of social labor. But then it follows a form, which is a concrete form of that development, and in fact, if one follows it beyond that, one arrives at Volume 3, the development of the necessity of that form. So this is the relationship between content and form and the structure of development. If things were affirmed

[278]“ Critique of market socialism - With Juan Iñigo Carrera ”.

immediately, form could never be distinct from content: there would be no form other than content, nor content other than form. This is what logical representation does. It starts from this: there is no content other than form, nor form other than content (generally, it emphasizes the former, but implies the latter). Only because content affirms itself in its form by negating itself as content, is form not identical to content, and therefore, I will always have forms before me that are the negation of content. And that can manifest itself as being completely different from the content, or as being the content itself transformed, in the sense that I see it as the content, but at the same time it is not the pure form of that content. Forms that are openly the opposite of the content, and forms that are the developed content, are not the opposite of the content.

Let me put it this way, especially for living subjects. If we look at the content of these appearances of circulation, it's clear that it's the opposite of the form; that content affirms itself by negating itself in the form as its opposite. If I look at a living subject in its transformation, I'm looking at myself at this moment, and I'm affirming myself all the time through my own negation, because I have a quantitative temporal determination that is constantly unfolding. Now: in that movement, I breathed and spoke, and I'm no longer the same concrete being I was immediately before. So, I'm negating myself as that which I was, I'm affirming myself by negating myself as that which I was in order to reproduce myself. So, I'm not the opposite of what I was, but rather I'm the unfolding of a transformation that reproduces me in the form of a human being. Let's put it this way—that's being very pretentious, who knows if I 'm even a human being—but well, let's be optimistic. These are the effects of yesterday's match [279], where one no longer even knows how to recognize oneself: everything was so clear... [Laughter] There was a content that could only be stated in a concrete form identical to the content itself, and it turns out that it was stated as the opposite of the content. But well, maybe the content wasn't what one thought it was. I don't know if that's clearer, Javiera.

And the problem one has is (which is why I also raised this point): in my understanding, Marx, in the development of *Capital,* generally doesn't always follow this pattern, but he greatly respects the unity of the dialectical method: I start with something concrete, it presents itself to me as an immediate concrete, I question its necessity, and I unfold its necessity. Chapter I is that par excellence; but when one sees that he moves on, for example, to Chapter IV, he does that again, because he returns to looking at capital in circulation. I always suggest (even Marx makes some reference to this later): one could begin that chapter by saying: if money as a means of payment closes the movement in circulation, and money in circulation can only buy, what follows? Buying the conditions to start again. Well, and I have the unfolding of *Capital.* Marx adopts an expository structure which is: and now I see that in reality, in circulation, the movement of commodities is not as I was seeing it, that there is another movement. At that point, when he analyzes it, having already developed the simplest determinations of that movement, he doesn't have to go back to the beginning, but can immediately synthesize everything he has discovered so far and begin to say: well, but equivalents are being exchanged, so no more value can emerge from the exchange than what

[279]Reference to the 1-2 defeat of the Argentina national football team against the Saudi national team on the first day of the 2022 FIFA World Cup.

entered. And he goes on to do those little pieces of analysis that lead him to the simplest determination, which is already known.

Actually, it will unfold over a much longer unit, because one can summarize it like this (the chapter isn't strictly like this), but Chapter IV begins with confronting the immediate concrete, continues with the analysis, but only goes as far as the analysis. It is Chapter V that unfolds the necessity, how capital can be valorized. And if we look at what we are looking at now, what emerges are the concrete forms. Just as the consciousness of the commodity producer closes Chapter I in terms of fetishistic consciousness: it is clear that it begins with consciousness because the commodity is the bearer of the social relation of the commodity producer, and there he recognizes himself in his commodity as an individual organ of the social life process. But here we are arriving at the consciousness of individuals, not simply the form that the valorization of capital takes and the necessity of its form, but rather the necessity of the consciousness that personifies that movement. Now, this virtue it possesses of demonstrating the unity of the dialectical method has often been interpreted— Rubin is one of those who takes this most crudely—as: well, these are "topics," there's the topic of "value," the topic of "exchange value," the topic of "commodity fetishism," the topic of " money"… and he has an essay written on each topic. And this is what we have before us. I don't know if you want to add anything else.

Alejandro: First, I'd like to mention Javiera's question. In the book, I found a footnote from the 4th edition containing a series of methodological observations. It notes that the unfolding of the capitalist mode of production implies the generalization of commodity production, which imposes itself by developing all its hidden potential, and it refers to its own immanent laws. I think this might shed light on Javiera's question. The question arises for me, and I don't know if it can be answered, but… The starting point with the commodity is clear to me, now that we're on the topic of expanded reproduction, and I understand the necessity of starting there. But at the same time, if the commodity, being the content that affirms itself through its own negation until reaching capital in the unfolding process, and now it seems that capital is what governs all of human life in this mode of production, the question arises for me whether capital is now the content and the commodity has ceased to be the content and has become subordinate to the valorization of value. Is there some kind of investment in the content, or am I seeing things?

That's the first question. The other question I have stems from the fact that I started reading *Phenomenology.* And this thing you mentioned about form, content, and going back to questioning form—could it be that in phenomenology it's like the for-itself of consciousness, the in-itself, and the for-itself of the in-itself? Is it analogous to that movement that Hegel makes, or is it something else?

JIC: Yes, yes. Do this again. It's that movement, but it always appears inverted as the genesis of concrete thought.

Alejandro: It presents itself as an abstract becoming of consciousness, doesn't it?

JIC: Yes. That's why Hegel always takes those three steps. Regarding the other point you raised, we now see that the commodity is the form of existence of capital. I said before: that immense accumulation of commodities is the product of capital. And now we discover that this immense accumulation of commodities actually had a unity; it wasn't simply an accumulation of commodities: it was the expression of the movement of capital reproduction. Now, what we had here was that the commodity wasn't the content; the content is the substance of value, which has a form. And here the content remains, and was the substance of value… […] [280], the content that develops is value. Value is how the total capacity of the total labor power available to society is allocated under the different concrete, useful forms that each individual organ of the social life process will realize: that is the content. And capital is the form in which that content is governed. So, this is the unfolding: from the simplest content, we continue advancing through the increasingly developed concrete forms that this simplest content takes.

What this development does now is what I was saying before: it shows us the necessity of the starting point from which we begin. When we begin, it seems arbitrary: in a society where the capitalist mode of production prevails, social wealth appears as an immense accumulation of commodities, and the commodity as its elementary form. So, we begin with the commodity. We had very quickly, very roughly, carried out an analysis that led us to the commodity. But if we look at it without that analysis, which is often how Marx's development is viewed…

That's why it's important for me to start the workshop with this broad analysis, because that's where the key to the method and the issue lies. Criticisms of Marx's approach to development arise, such as: why start with the commodity? Because that's an economics book. Because, for example, a sociology book would start with another aspect of capitalist society, a psychology book starts with the consciousness of individuals... and in reality, where one begins is arbitrary. Now, as we progress, what we find is that the necessity of the starting point becomes clear. Why do we begin with the commodity? Because, indeed, capital, which is the development we have up to this point, presents itself in its movement as an immense accumulation of commodities.

Therefore, development must account for the necessity of its starting point. And this is one of the things that are characteristic of the dialectical reproduction of the concrete and not of logical representation, which, on the contrary, accepts that it cannot account for the necessity of its starting point. There is no necessity other than what is repeated, and then I cannot answer why it was repeated, what the necessity was for it to be repeated. I will simply have constructed a theoretical representation, a model in which I started from what is repeated, and there is no necessity: it is simply whether it is present or not. […]

[280] His phone rings.

3. Division of surplus value into capital and interest. The abstinence theory.

Up to this point, we have seen the worker's role as a seller of labor power, and how their condition as a doubly free individual binds them to the reproduction of capital, to this way of organizing the social life process. [...] In the reproduction process we know so far, all surplus value goes to the individual consumption of the capitalist; and now what we will see is that a portion of that surplus value is converted into new capital. A portion goes to consumption as rent [281]—here the term "rent" refers to current income—and the other portion returns, accumulates as capital. The immediate question that arises is: well, how is it determined which portion goes to one and which portion goes to the other?

And the first issue that arises is that, given a total mass of surplus value, the more it goes to the individual consumption of the capitalist, the less it can go to accumulation, and vice versa. And what immediately follows is, if we put it in terms of what the independent variable is, it is accumulation that governs the distribution of surplus value, not the individual consumption of the capitalist. The purpose, as we have already seen, precisely when we look at simple reproduction, is emptied of the axis of capital's movement; the purpose of capital production is the multiplication of capital. When we look at simple reproduction, that disappears. Now that we are looking at expanded reproduction, what we will find is, in effect, that the portion that governs the distribution between consumption and accumulation is the needs of capital accumulation. Given this, what emerges is precisely the way in which this is carried in the consciousness of the capitalist. Because if we look at it externally, what appears is that it is the consciousness of the capitalist that determines how much goes to each side. Therefore, what will appear in this development are the determinations of the capitalist's consciousness that make him act by personifying capital.

The first thing that will appear is the historical determination that the capitalist carries and under what conditions he asserts himself in it. And here, for me, there is a very clear synthesis (I use it a lot), when he posits the capitalist's historical right to exist: only when he acts as personified capital does the capitalist have "value before history," he has a historical right to exist, which he then clarifies is not an acquired right. The FCE translation is better than the 21st-century one. Because in the FCE translation it says "no data [282]," which is the legal term that corresponds to "it is not acquired," it has no origin, it must be renewed all the time. In the 21st-century translation, I don't remember exactly how it says it, but it has a negation, "that it has no date," but it's not simply that it has no date, it's that it is not an acquired right, it has no origin, it always has to be renewed.

So why does he impose that condition? Because the capitalist is the private organizer of social labor, and as such, he is the one who develops the productive forces of labor in the capitalist form, which is—to use Marx's terms—" *production for production's sake*." The immediate purpose for which social labor is set in

[281] In the 21st century, it says "profit".
[282] Marx, K. (1977: 499), *Capital,* Volume 1. Mexico City: FCE.

motion is not to produce use values for human consumption, but to produce more capacity to set social labor in motion, both extensively and intensively. And so, the role that the capitalist has to play, his consciousness in fulfilling this determination of which he is the personification, his problem is not use value: it is value, the valorization of capital. And I'm going to repeat the quote, because he says: he is a fanatic, he has to act like a production fanatic, he has to produce for production's sake, and that is the form. He says:

> As a fanatic of the valorization of value, the true capitalist relentlessly *compels* humanity to *produce for the sake of production* and, therefore, to develop the *productive social forces* and create the *material conditions of production* that are the only *real basis* for a higher form of society whose fundamental principle is the full and free development of all individuals.[283]

The capitalist is only respectable insofar as he embodies capital. Having established this, which constitutes the content of the determination of the capitalist's subjectivity and his historical role, what will unfold is how the capitalist faces the necessity of how much he must accumulate and how much he must consume. And what will become apparent is that, just as the worker in his individual consumption is forced to satisfy the needs of capital, the capitalist, whether he likes it or not, must fulfill the role of embodying capital, because if he does not expand capital, if he does not increase the productivity of his workers' labor, he is doomed. It is competition within the capitalist mode of production that compels him to act as a capitalist. And so, what will appear is that the capitalist's will is alienated to capital. And he will offer a simple expression of this by saying that, insofar as he has to act as the personification of capital, his consciousness and his will must personify the accumulation of capital, and so everything he consumes for himself, all his individual consumption, appears to him as a theft he is committing against his own capital. And here, then, a display will begin to unfold showing how the capitalist's consciousness evolves in the development of capital accumulation itself, in a process that has a historical character.

And the first manifestation of this is that the capitalist, already in a phase of prosperity (which then takes a somewhat longer period of development), can now consume a portion of the surplus value for their individual consumption. The ideologues of capital present the role of the capitalist inverted, arguing that capital arises from the capitalist's "abstinence" and the sacrifice they make to accumulate. Thus, what begins as capital's need for the capitalist to channel the greatest possible amount of surplus value into accumulation appears ideologically inverted as a sacrifice made by the capitalist: they abstain from consumption and sacrifice themselves to accumulation. This is so clear in the development of historical ideological production that Marx always refers to the abstaining capitalist as the figure that embodies the vulgar economics of his time.

I don't have it marked so I can read it verbatim, but in Marshall's economics textbook, what he literally says is: well, at this point, suggesting that the capitalist abstains from consuming doesn't seem too far-fetched... Actually, the capitalist's problem isn't that he abstains from consuming, but that he waits to consume, and

[283] Ibid.

that's the sacrifice he makes. And since the marginal utility of commodities decreases over time, in order to maximize his total well-being, what he has to do is, if he waited to consume, tomorrow he needs to consume more than he would have consumed today, when he had the means to consume today and waited; since the utility that same good produces tomorrow is smaller, then he needs compensation, and interest is that compensation for waiting. So it's very clear, because even the common economist making that argument starts by saying that this abstinence doesn't make much sense. Because of course, Marshall's book is already... I don't remember if it's from the first decade of the 20th century, and the capitalists of that time no longer look like individuals who "sacrifice" themselves for the sake of capital accumulation.

So, what will emerge is that, if [before there was] the figure of the original capitalist, the Calvinist figure of the industrious and thrifty individual, austere in his life, now what will emerge is that, with the multiplication of wealth, and he also says, with the development of speculation ["and the credit system" [284]], and the possibility of making wealth quickly, the possibility begins to appear that the capitalist will squander surplus value on his own person. And at the same time, how this spending that the capitalist does in his individual life becomes an aspect of the personification of his capital. Because what appear as the "representation expenses" [285]of capital, because if the capitalist spends, the image is that he is prosperous, and consequently worthy of receiving credit; the capitalist is in the places he needs to be to conduct business on behalf of his capital. And so, the capitalist's individual consumption, also in this sense, appears to be acting in the service of the interest of *his* capital. And then Marx draws the contrast: the more surplus value he extracts from his workers, the more he forces them to deprive themselves of all enjoyment in life, and the more he increases his own extravagance. And then he says: there you have the two faces of the capitalist, the one who accumulates and the one who spends on himself.

In that presentation there is a statement that I think is important to highlight because it says:

> Besides, the capitalist does not get rich, like the hoarder, in proportion to his personal labor and what he ceases to spend on himself, but to the extent that he absorbs the labor power of others and forces his workers to abstain from all the pleasures of life [286].

Because in a series of arguments, it appears that the capitalist contributes to the valorization of their capital through the figure of the entrepreneur. And what the capitalist can contribute to their capital is the value they produce, but they cannot produce surplus value because they do not buy their own labor power. Consequently, even assuming that their labor were value-producing and that they performed extremely complex work, requiring a great deal of time to develop the necessary skills, all they could produce is the value corresponding to their working day. One might say: they work 24 hours a day, but they cannot produce more value

[284] Ibid., p. 500.
[285] Ibid.: "Luxury becomes part of the representation expenses of capital."
[286] Ibid.

than that. And their capital bears no relation to the magnitude of that personal labor. Their management as an “entrepreneur” consists of extracting surplus value as efficiently as possible from their workers, not in producing the same value through their own personal labor. I remember it very well because I was given a book (it seems that "Anti-Marx" is in fashion) by an Argentine economist who was an official of international organizations all his life, I think, and now in his old age has decided to write a very erudite work on *Capital* to demonstrate that Marx was wrong in the development of surplus value, because he did not take into account what the work of the entrepreneur contributes to the valorization of capital.

Then this appears: neither of the two conditions can hold anything against the other. But he goes on to say that “in the noble breast of the individual capitalist, a demonic conflict is brewing between the instinct for accumulation and the instinct for enjoyment [287].” And then he makes a reference to… the subjectivity of the capitalist, which later in Marxist arguments will be presented as if it were the cause of capital accumulation; but it is not the cause: it is the way in which the determinations of the capitalist mode of production and the need for capital are carried in the subjectivity of the capitalist. “Accumulate for the sake of accumulating, produce for the sake of producing,” he says, “in this formula classical economics captures and proclaims the historical mission of the bourgeois period [288].” That is the immediate manifestation. Now: that is not the content of the movement; the content is what we saw earlier about a social relation that sets social labor in motion with the immediate aim of multiplying the capacity to set social labor in motion, as a form of the development of the productive forces of labor. So what begins here is a development of how political economy views it.

Classical economics presents this idea that one must accumulate wealth, that the capitalist must not squander it. He will cite Malthus, an ideological spokesperson for the Anglican Church who was one of, if not the largest, landowners in England, and who represented the landowners who argued that capitalists should focus on production, while the landed aristocracy, state officials, and church officials were left with the role of squandering wealth.
I don't know if I mentioned, I don't think so, an example of this type of argument that immediately resonates with Argentine society. It's the argument made by Jauretche.

Jauretche's influence is more or less present in Argentina, not as a highly developed theorist, but through his discourse on the characteristics of Argentine society. He was a fierce reactionary; he said: society is divided into three classes: capitalist landowners and workers. Each of these classes has a role within society: the workers, to work—of course, under "decent" conditions—and have no other concern (which is later summarized in the Peronist maxim: "From home to work, and from work to home"). The bourgeoisie (he uses this term), its function is to organize labor; it is the organizer of the life of society. And the landowning class are those who have the right to squander wealth, because it is theirs, so there is nothing to object to. It is an aristocratic class that does not play an active role in the life of society; it simply enjoys its wealth. What is Argentina's problem from

[287] Ibid.
[288] Ibid., 501.

Jauretche's point of view? The Argentine bourgeoisie has become confused and believes it occupies the position of the landowning class. Instead of managing and multiplying society's wealth, they intend to squander it. Instead of having "bourgeois values," they have "landowning values," and that is the problem. This is summarized in Jauretche's book, an entertaining read because he wrote in an almost humorous way, one might say, *El medio pelo en la sociedad argentina (The Middle Class in Argentine Society)*. It's a term that comes from the Argentine landowning class, even though he wants to use it for… It shows so much that he is connected to that class that he used the term "medio pelo."

Alejandro: This thing you're mentioning now, which is also clearer to me with Marx, this conflict in the practical consciousness of the capitalist, how present is it when the magnitude of accumulation is such that with a small portion of the capitalist's consumption fund he has enough to live on, when having all those kinds of luxuries doesn't cause him any problems?

JIC: The answer I would have to give is “yes and no.” Because what continues to govern what portion is spent is what is accumulated. And if you look at a relatively recent process, it appears summarized in the argument made by Dumenil and Levy regarding what changed in the capitalist mode of production in the last quarter of the 20th century—what I propose about the universal worker, differentiation, etc. They see it as an antagonistic struggle between managers and capitalists in which, until the last quarter of the 20th century, the managers triumphed. What do managers want? What allows them to reproduce themselves as managers, and moreover, under increasingly better conditions? Their role is to accumulate, not to squander surplus value. So, they look at that and say: until the mid-1970s, managers triumphed, and surplus value accumulated at the expense of the individual consumption of capitalists. What happens from that point onward? At first, they present it as the capitalists taking revenge, now triumphing over the managers. Later, they present it as the managers allying with the capitalists against the working class (as time goes on, the argument changes somewhat).

Now, when you look at the content of the difference between the two stages, it's that this stage is characterized by the constant overproduction of commodities, and therefore a barrier to capital accumulation. What should be done with the surplus value if there's too much surplus value to accumulate, some of it not even realized, but there's still excess capital? The way to avoid accumulation is through waste. And what will emerge is that the managers, too, allies... They always argue that this manager is the one who has to embody, to manage the capitalist's social relationship; well, when that social relationship, which takes the form of a thing, can be pocketed, they pocket it and that's it. So, what emerges is an enormous expansion of individual consumption by capitalists and managers. Where there was a wage difference of a certain degree, that wage difference becomes immeasurable; the gap is so vast that it's no longer just that they earn ten or twenty times more than a worker: they earn a thousand times. And the phenomenon appears in which managers gradually advance in the appropriation of surplus value.

Managers and landowners… I mean, we're back to the World Cup: it's a display of landowner wealth unlike anything ever seen before in human history, but on a smaller scale, it's reminiscent of what happened to the city of Manaus with rubber. At first, one might think the same thing will happen here, because when synthetic rubber is discovered or rubber production is moved elsewhere, the city is lost, swallowed up by the jungle. And the Argentine landowners of the early 20th century, with the influx of Italian and French architects to build what were then palaces, which had no relation to the needs of the families: that's the extravagance of the landowner. So, the question is to what extent the capitalist extravagance we see now is not only due to the magnitude of the capital they possess, but also to the fact that they have nothing to do with that surplus value. If they wanted to accumulate it—overproduction would explode—; Therefore, the only option is to spend it unproductively, by not purchasing the labor power of productive workers. For me, that is very clearly at stake in this historical moment.

Alejandro: From what point is that sustainable, Juan? It's about consuming one's own capital, which is no longer able to accumulate.

JIC: One of the manifestations is that, except in China and some other East Asian countries, the growth of national economies is much slower than in the 1960s. This is a very general observation; the concrete rate of profit doesn't seem to have recovered to the levels it had in the 1960s. We'd have to see about China, because it's not so clear that this is the case. But what is emerging is this movement. We have to see what form the next phase will take, supposedly an expansion of capital accumulation, with enormous masses of things that appear to be wealth but can cease to appear to be wealth very quickly. But that's for Volume 3; for now, we'll leave it at that.

Javiera: What do you mean, Juan? What did you mean by saying that they may seem like wealth but can cease to be…?

JIC: We'll see that in Volume 3. That it appears to exist as accumulated wealth and then suddenly it turns out to be purely fictitious.

Alejandro: The credits?

JIC: It's one of the examples.

Javiera: But, something like what happened in 2008?

JIC: Sharper than in 2008.

Alejandro: As long as the process doesn't overwhelm us and we can get to Volume 3 to answer it... [Laughter].

JIC: So we continue with the capitalist and his consumption.

It's the same path we had before, but framed in ideological terms. So, the first thing that emerges is the demand on the capitalist to... There's a Ricardian, representing English capitalists, who protests that capitalists are forced to accumulate wealth and are prevented from enjoying life, but at the same time, he finds it perfectly justified and necessary to pay workers as little as possible to encourage their industriousness. And then comes vulgar economics with its concept of abstinence: instead of "capital," he says, we should use the term "abstinence." It's also Senior who makes this argument, which no longer stems from the final hours, but rather, instead of calling it "capital," we should call it "abstinence."

This has an ideological dimension. In Argentina today, the idea that the worker should be grateful to the capitalist for providing employment, and that they could actually be enjoying life, is very prevalent. Instead, they abstain from consumption to provide the worker with the tools of their trade. Marx makes another observation that is also relevant to the expectation of consumption, and more immediately to abstaining: surplus value has material forms that will become new constant capital and cannot be used for individual consumption. Marx concludes with irony, saying that the capitalist class should be "liberated" from this torment of having to consume steam engines and so on. He uses a whole series of metaphors about how the capitalist steals from their own father when, instead of consuming for themselves, they allocate surplus value to accumulation. Even the preservation of capital implies resisting the temptation to consume it, to devour it; and, well, the capitalist must be freed from this. And he draws a parallel with the abolition of slavery in the US, which he says freed the southern slaveholder from the tragic dilemma of whether to spend all the profit he had whipped from the slaves on more champagne or on buying more slaves.

And then there's this, which, when applied to modern neoclassical and Austrian economics, becomes the problem of waiting to consume. The difference lies in the fact that in neoclassical economics, Marshall argues that waiting is a factor of production that combines with different forms of labor. But waiting may be a factor of production in the production of whiskey; it doesn't appear to be a factor of production in any other production process.

Alejandro: That also includes Marx's observation about must, doesn't it?

JIC: I'm including whisky because of Marshall, who says it's a factor of production. But fermentation is a production process, not labor time. All these issues will come up later in Volume 2, but I'll say this: a factor is an active agent, and the active agents involved in fermentation are bacteria, fungi, or whatever; it's not the waiting that produces the product. But anyway, in the human production process, the only factor of production is the worker, the human being.

4. Circumstances that, regardless of the proportional division of surplus value into capital and interest, determine the volume of accumulation: degree of exploitation of labor power; productive power of labor; magnitude of capital advanced; growing difference between capital employed and capital consumed.

These two interconnected issues arise: accumulation depends primarily on the available surplus value. The mass of surplus value is linked to the rate of surplus value. And the rate of surplus value depends on the degree of exploitation of labor power. The starting point, and the normal condition, is that wages correspond to the value of labor power. But in this development, Marx will raise the question of the circumstances that allow the capitalist to pay labor power below its value, and how what, in the terms of classical economics, appeared as the workers' consumption fund, then becomes a fund for capital accumulation. This is because labor power is paid below its value, and the surplus value extracted on this basis fuels and multiplies the power of capital accumulation.

And here he's going to make a reference we've already seen to the demand for labor power in relation to the working day, and now it's placed in relation to the magnitude of capital. Let me clarify this. What appears from here on, at least I think until the end of the chapter, is this: if up to this point we have the basis of the general and normal accumulation of capital, what will appear now is elasticity in the capacity for accumulation. If up to this point accumulation depended on the absolute magnitude of surplus value relative to the magnitude of existing capital—that is, the rate of accumulation, well, and this is, what the working day and the value of labor power are—what will appear are ways of multiplying the capacity for capital accumulation, some normal, some extraordinary. And the payment of labor power below its value appeared.

What follows is the extension of the working day, whether for the same workers or in successive shifts, so that with the same constant capital in machinery, the output of living labor can be multiplied, and consequently, surplus value multiplied. If initially accumulation appeared to be a question of whether constant and variable capital would increase in a certain proportion, we now find a possibility of multiplying accumulation using the same constant capital, by putting it into contact with a larger mass of variable capital through the extension of the working day in which that constant capital is put to work. What will happen is that it will be consumed more quickly, but it will be renewed, and the value of that constant capital will also reappear more rapidly in the value of the product.

And here he will also make a synthesis that resembles what appeared when we looked at what happened in the production of relative surplus value, the development of machinery in agriculture, he says:

> The result of all this is that, by annexing the two primary factors of wealth, labor power and land, capital acquires an expansive force that allows it to extend the elements of its accumulation beyond the limits apparently drawn by its own magnitude,

drawn by the value and mass of the means of production already produced, in which capital takes shape [289].

And then, this elasticity that capital has to accumulate begins to appear.

When labor productivity increases in a given workday, the mass of use values produced multiplies, but the mass of value remains unchanged. Consequently, given the value of labor power and the length of the workday, the mass of surplus value produced also remains the same. The total amount of labor is the same, and the total amount of value is the same. What has multiplied is the mass of use values produced, and this multiplied mass allows the capitalist to increase their individual consumption by reducing the portion of value allocated to that consumption. The next step is that, simultaneously, they will reduce the cost of labor power and increase the rate of surplus value.

And here Marx makes the observation that even if real wages rise, the quantity of use values the worker receives may contain so much less value that the value of that labor power decreases. In other words, part of the surplus value that the worker consumed is freed up, even though they consume more use values to transform the new capital. Their labor power becomes cheaper, so that with the same variable capital, they can put more labor power into operation. With respect to constant capital, the value of the means of production also decreases, and with the same constant capital, production materially expands. And since more labor power is put into operation because there are more means of production on which it will be applied, with higher labor productivity, and therefore a higher rate of surplus value, the movement of accumulation will multiply and intensify because its material base is expanding, both in terms of constant and variable capital. And the synthesis he will make is: the scale of reproduction increases due to the material base, but as at the same time the rate of surplus value increases, the production of surplus value grows faster than the value of the new capital grows.

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[289] Ibid., p. 509.

[II]

JIC: First, as always, if there's anything you want us to come back to from last time, or in general anything to discuss about what we have so far.

Alejandro: I don't know if it's a minor detail, but I've been analyzing it. This issue of how the tenant appears, I understand, Marx mentions it in *The Cottage Industry*, only in the previous one, as if it were a relationship of direct theft. I don't know how problematic that statement might be. Perhaps we overlooked it in the last class, but I confronted the issue and started looking at who had addressed it, including Engels in *Contribution* to *the Housing Question,* and it seems to appear in reverse, so to speak. In fact, the position of direct theft was held by the Proudhonists, if I understand correctly, and it strikes me as odd that Marx mentions it that way.

JIC: Can you read it?

Alejandro: Yes, yes. It's a long paragraph, but I can read the specific passage. It came up on the previous page, discussing the ideological argument that the worker shouldn't consume anything while the capitalist lives in opulence. It mentions the social classes in England compared to France and Holland, and then… I'll read the specific passage:

> The landlord has increased his own profits by preventing the worker from accumulating the most essential consumption funds. The so-called "putty industry," for example, has shown the role that the direct theft perpetrated against the worker's necessary consumption funds currently plays in the formation of surplus value and, therefore, in the accumulation of capital.

JIC: I suppose I would associate it, seen that way… Because, does it refer to the tenant capitalist in contrast to the peasant? Alejandro.

Alejandro: I hadn't been mentioning the issue of the peasant's situation so explicitly, but it could be; now that I'm rereading it, I can't find a direct mention of the peasantry.

JIC: No, because if the tenant appears, it has to be the rural capitalist tenant. And the consumption fund… I can think of associating it with two things. One is because it makes a reference to cottage industry: the peasant who could, outside of the growing seasons, is the source of labor for cottage production, or home-based work. And we would have to see in the whole paragraph what changes with the tenant. Now: the term “theft” is simply used, I understand, to mean that it deprives him of any possibility of accumulating a consumption fund.

When we looked at the doubly free worker… perhaps I have a tendency to emphasize that he is separated from his means of production. Marx states: he is separated from his means of production *and* from his means of subsistence. And in this chapter, when the condition of forced labor of the worker who sells his labor power appears, it is closely linked to the fact that the worker's own individual consumption is what separates him from his means of subsistence. Because once

he has spent his wages on buying means of subsistence and consumed them, he no longer has any means of subsistence, and consequently, the only possibility he has to continue reproducing his life is to sell his labor power again. Now: the term “theft” gives me the impression that it is simply used figuratively, as if it is “snatched” from him, rather than as an inherent aspect of the form that the social relation takes. I would have to place it in… If not, tell me, in Volume 1, in which volume is it? In Volume 2?

Alejandro: Yes, volume 2 of the 21st century.

JIC: Yes, and which page?

Alejandro: 745. […]

JIC: Think about it, what he's doing is quoting an author, right? He says: “a bourgeois author”:

> “In this way,” exclaims a bourgeois writer of the time, “tenant farmers degraded themselves for years to a respectable class of their fellow countrymen, *forcing them* to resort to the *workhouse* [...] The tenant farmer has *increased their own profits, preventing the worker from accumulating the most essential consumer funds*.”

Here's his part:

> The so-called domestic industry, for example, has shown what role is currently played in the formation of surplus value and therefore of the *capital accumulation fund,* by the direct theft perpetrated against the necessary consumption fund of the worker.

Now, reading it, I don't know, we'd have to look at everything that comes after, everything that came before, to see what "direct theft" implies. Taken out of context, I can't really say. But what's there is the transformation of something that is the worker's necessary consumption fund into a fund for capital accumulation. Nothing, because here he's using the term "consumption fund," the term of the bourgeois writer, Parry; he's referring to that concept, to the fact that they aren't even paid the value of their labor power. What they're doing is that, by consistently paying them below the value of their labor power, they don't allow them to reproduce themselves normally. And they've transformed what should have been the replacement of that labor power, the payment for its value, into profits for capital. And so, the term "accumulation of the most indispensable consumption fund" means that the workers are unable to access use values, the most essential consumer commodities.

And the reference to the cottage industry is that the worker isn't even paid what corresponds to the value of their labor power. The "direct theft"—I understand the term, regardless of whether it's a figure of speech or not—refers to the erosion of the value of labor power. It's not that the accumulation fund itself is theft, but rather that the term "theft" is being used to describe how workers are being deprived of what they need to reproduce their labor power, which they are reproducing under increasingly worse conditions, and on that basis, capital is accumulated. I wouldn't say more than that, reading it as it appears here.

Alejandro: Now it's a little clearer to me that it would be one of those forms of elasticity that you mention regarding the work force.

JIC: Exactly, advancing on the value of labor power as one of the ways that... First, the normal conditions of valorization, of accumulation, occurred, where labor power was sold for its value, and then these elasticities of capital appear, one of them advancing on the reproduction of labor power. I don't know if there's anything else you want to raise, but we're advancing on that.

Alejandro: Okay, Juan. I had that doubt because I understood that Engels debated those positions that advocate outright theft, and that mention caught my attention, but well, now it's a bit clearer.

JIC: Yes, no, but look, later I try to see if the term appears as "theft" in everyone or not. But anyway, what he's discussing with Proudhon... Marx, in the letter he wrote when Proudhon died, refers to the idea that property is theft, and the criticism is that we have to establish where it comes from, how private property arises from private labor and the exchange of equivalents, not from theft; under the guise or concrete form of the exchange of equivalents, how the exploitation of the worker by capital is concealed, and what the source of the capitalist's private property is, which cannot be explained as simple theft, but rather encompasses all this mediation. But then the term "snatches from him," "takes from him," appears; Precisely when it is not mediated by what is purely the determination inherent in the movement of the social relation within the capitalist mode of production, what emerges is: well, here yes, even here one can speak of “stealing” because it is directly depriving the worker of the conditions for the reproduction of their labor power. The opposing content of an exchange of equivalents no longer mediates; rather, what mediates here is that there is no exchange of equivalents, but I wouldn't give it any more significance than that.

Okay, so let's continue with these expressions of elasticity. We've seen that the mass of means of production, the mass of means of subsistence for the working population, and the material scale of production increase without a change in the mass of value; the same mass of value, of surplus value, is now capable of materially setting in motion a larger mass of labor power endowed with a larger mass of means of production, and this multiplies the production of surplus value. [...] We've seen the issue of wages, haven't we? That even if real wages were to rise, there would still be a material mass of means of production and means of subsistence for the workers, and even if the workers could have more use values for their consumption, that mass, multiplied by a sufficiently high productivity of labor, would still be enough to employ more workers and therefore to have more variable capital put to work.

What we hadn't yet considered is the effect of increased labor productivity, not on new capital, but on existing capital already in production. What will happen is that new production methods will be incorporated, even on capital already in operation. Raw materials and auxiliary materials will become available, their production constantly renewed, and consequently, they will be produced with

multiplied labor productivity. All of this will allow for a multiplication of capital valorization that extends even further to existing capital and will have the elastic effect we saw earlier. Furthermore, the old capital that reaches the end of its material useful life will be renewed not by the same machinery that was previously in operation, but rather it will take the material form of a new machine capable of sustaining higher labor productivity. Thus, the value of that old capital will be materially renewed in the form of machinery that responds to the new labor productivity.

So, this movement will emerge that increases capital's capacity to generate surplus value, but at the same time, it will have repercussions on the value of old capital, causing a portion of it to depreciate. This might mean that it can remain operational but can no longer transfer the same magnitude of value to its product as before; or that it can no longer be maintained in production because the new machinery sustains a level of labor productivity that prevents the old capital, regardless of its depreciation, from remaining in production. This phenomenon of depreciation of old capital will then appear, and Marx will argue that this intensifies competition among capitals and how capitals pass on this increased competition to workers, redoubling their exploitation. Thus, even this process that devalues a portion of capital intensifies and stimulates capital to multiply the production of surplus value. Here, this generally comes at the expense of the workers; it is not simply normal exploitation, but an *extraordinary multiplication* of exploitation.

Here in all this development, what emerges again is the issue we saw earlier regarding the determination of value, not simply by the amount of labor it took to produce the machinery, the commodity, at the time, but by the amount of labor it takes to reproduce that machinery today, under the conditions in which it is currently operational. This underlies the issue of the depreciation of existing, older machinery, because it now suffers the effect of "moral decay," and we have two forms of moral decay: either a machine capable of sustaining the same labor productivity as the old one costs less; or a machine can cost the same, or even more, than the old one, but sustain a labor productivity far greater than the value the old machine transfers to the value of the product. The decrease in value achieved with this new machine more than compensates for the lower value of the old machine, but when transferred to the value of the product, it is higher than the value transferred by the new machine. I don't know if I was clear because I got stuck in the middle, but is this clear? Alejandro, you wanted to speak.

Alejandro: Yes. It's a quick question, but, let's say, what about maintenance costs, which are incurred to keep the machine running? Would those be considered in any way, or are they outside the scope of Marx's analysis here? The question arises because, beyond analyzing the productivity they can generate versus the machine's cost itself, maintenance costs are also taken into account. Some machines may require significantly more labor hours for maintenance at certain times of the year, while others don't.

JIC: Yes, that's implicit in the lower productivity of the labor operating that old machine, because to the direct labor of production you have to add the indirect

labor of maintenance. Consequently, the value of the commodity produced with the old machine, taken as the individual value of the commodity produced with the old machine, is higher than the individual value of the commodity produced with the new machine. So yes, all additional expenses. Also, if the machine is less energy-efficient, what will happen is that the value of the constant capital that transfers the value of the product will be greater, and that will also be reflected as a determination of the depreciation of the machinery. The [old] machine can no longer transfer all that value of constant capital to the value of the product because the new machine doesn't include that transfer.

Well, and now we're reaching the synthesis of all the development we've been doing. What we're going to show is that the volume and value of the means of production increase as the productive power of labor develops. Consequently, what we had—that for capital to maintain its value it has to be put into contact with labor power—this labor power maintains the value of an ever-increasing mass of capital that has the material forms that sustain a greater productive power of labor. And here another issue will appear that, for now, won't play a central role, but as we continue developing this, we'll see that this difference plays a substantial part.

As we saw when examining the development of the machinery system in large-scale industry, capital becomes increasingly separate from the capital applied to production—employed or utilized capital—and the capital consumed. That is, as the constant capital invested in machinery, in means of production that serve for many production cycles, increases, it gradually transfers its value to the product. Thus, there is capital that is utilized, consisting of the material integrity of the machinery and, consequently, the full value of the machinery; and capital consumed, which is only what is spent each time it is used. This growing differentiation will emerge, and Marx will reiterate what he proposed when this phenomenon first appeared: capital possesses these natural forces objectified in the machinery, which it can control. To have access to these natural forces each time it produces, it only incurs the cost of what it spends, that is, the consumed capital, and it has the entire body of machinery at its disposal free of charge. It costs him nothing: he uses his entire body, but it only costs him the little bit that the machinery wears out at every moment.

Here, it's important to be careful to clearly distinguish between the capital the capitalist had to invest and this concept. The capitalist had to buy the entire machine, but each time they use it, the cost to them is only a small portion of that initial investment. In the long run, they always had the entire machine at their disposal, and each time they used it, they only spent that small portion, so at the end of the machine's useful life, they recovered its full value.

Well, what he's going to argue is that ultimately, the more production expands, the more capital grows… Here, Marx is going to refer to the capital invested, which is the capital employed, advanced, not the capital consumed. What he's going to argue, in summary, is that capital is not a fixed magnitude, but rather, although it appears to be a fixed, given magnitude, it has a very elastic capacity to operate; that this proportion will fluctuate, firstly, due to the division of surplus value

between the individual consumption of the capitalist and the transformation of a portion of the surplus value into new capital; that both labor power… Marx always refers to science: the land, the soil, everything that capital has at its disposal to operate, can also be put to work elastically, so that it can grow faster or slower depending on the circumstances, regardless of the magnitude of the capital. Capital of a certain magnitude can increase its potential based on how it uses the land, how it uses labor power, how it uses science to multiply its accumulation.

5. The so-called working fund.

And finally, he makes an observation that cuts short the development of Volume 1, which is that he says: up to this point, this is what we see in production. We are disregarding circulation, where there are factors that determine whether a capital of a certain magnitude can have a greater or lesser capacity for accumulation. But that is outside the scope of the development presented so far. And in what follows, which flows toward what will become evident in the next chapter, he says: capital is an elastic magnitude and has these elastic potentialities, even though "Classical economics," he says, "prefers to conceive of social capital as a *fixed magnitude* "[290]that has a given capacity to appreciate. But this, which is a prejudice of classical economics, he says, becomes a dogma in apologetic economics, not for all capital, but for variable capital, for the capital that is put into the purchase of labor power, saying that there is a working fund, a consumption fund for the workers and that this is given, reserved for the consumption of the workers, and is independent of what movement is happening with capital.

In neoclassical economics, this image of the consumption fund has already disappeared, but what emerges is that what corresponds to the worker… This, as we were discussing earlier, the wage corresponds to the productivity of labor, therefore… […]. What emerges is: what is distributive justice? That each factor of production in equilibrium is paid according to its marginal productivity, and that labor is one of the factors. And I always clarify that the only factor of production is the human being, who through their work makes use of the means of production produced by human labor and those that human labor takes from nature, not presented as abstractly external without directly mediating in labor's appropriation. So, the idea that workers have something reserved for them has disappeared. But if we recall something we raised when we looked at exploitation, the 50:50 proposal appears in Argentina as if that were what corresponds to the workers' consumption fund by some abstract social justice, as if that were reserved by nature for the consumption of the workers. But anyway, this is just a local observation; the consumption fund is no longer discussed directly.

What will conclude this and open the discussion for the next chapter is that, given a certain mass of constant capital, which has certain material forms that will serve as means of production, a certain mass of living labor is required. And consequently, this mass of living labor is primarily determined by technology, the production technique that exists at any given time in relation to that mass of

[290]Marx, K. (1977: 514), *Capital,* Volume 1. Mexico City: FCE.

means of production. What technology does not indicate is the number of workers needed to operate that mass of labor, because that depends on the degree of exploitation of individual labor power. Nor does it indicate the value, or rather the price, of that labor power: it is only its minimum limit, which is highly elastic.

I'd like to make a clarification that will play a role in what follows. Why does he say that there is a mass of living labor power, but that this doesn't correspond to a specific number of workers? Because when he says that it depends on the degree of exploitation of individual labor, that is, it depends on the length of the working day. If the working day is longer, the same total mass of living labor is satisfied by a smaller number of workers. If the individual working day is shorter, then that same mass of living labor requires a larger number of workers. It's worth noting how technology indirectly determines the length of the working day; the intensity of labor depends on technology, and the length of the working day depends on the intensity of labor. But, aside from that, when one looks at the overall trend, what will appear is either more workers with a shorter working day, or fewer workers with a longer working day. And with this, at least from the perspective of my argument, we would have completed Chapter XXII.

Chapter XXIII. The General Law of Capitalist Accumulation

Okay, then let's start with Chapter XXIII. Perhaps, if we're very efficient, we might even get to point 1, but I think that's unlikely.
If we look at the flow of the entire section, it begins with simple reproduction, where there is no capital accumulation, and moves to expanded reproduction where what is at stake is the distribution of surplus value between rent for the capitalist or new capital destined for accumulation. References to changes in technical conditions and labor productivity appear here, but what happens with the incorporation of technical transformations that change labor productivity is not fully developed. It is stated that what we just saw regarding the elasticity of the multiplication of means of production and means of subsistence for workers occurs, but now, in the next stage of development, it will be fully distinguished whether there is a change in labor productivity or not. And this is directly related to what concludes the previous chapter, which was the mass of labor power that a certain mass of constant capital will put into operation.

1. Growing demand for labor, with accumulation, while the composition of capital remains the same[291]

And so, the title of the first step, what you're saying is: here we're not going to look at changes in the material attributes of capital, and this is what Marx will now refer to as the composition of capital. The title is a summary, but now he's going to elaborate on what he's referring to. But what one has to keep in mind is that this evolution of the composition of capital is related to what happens with the demand for labor power. It's a relationship of magnitudes, and we're going to see what happens with the determinations of that relationship of magnitudes [...] when it changes, in that relationship of magnitude between the mass of constant capital and the demand for labor power, as the magnitude of the composition of capital changes, which we have to see what it specifically refers to.

And so, what Marx is going to propose is this: there are two ways in which one can look at the composition of capital. One is the value composition of capital, between constant capital—the value of the means of production—and variable capital—the value of labor power—but one can also look at it from a material point of view: on the one hand, there are means of production, and on the other hand, there is living labor power. And here there is a relationship between a mass of means of production that are employed (not those that are consumed) and the amount of labor needed to set that mass of means of production in motion. And so he says: the one that refers to value is the value composition, and the one that refers to the material composition of capital, he will call the technical composition.

Aristides: Juan, I'm confused by the part about the means of production, this distinction between the part that is consumed and the part that isn't. Wouldn't those be auxiliary means? Isn't that the same thing?

[291]The original from Siglo XXI that I'm using says "[...] to the composition of capital". I've corrected it.

JIC: No, the difference between the capital employed and the capital consumed each time it is employed is a problem that essentially concerns machinery. Because it refers to any means of production whose materiality is not entirely spent in each production cycle, but rather serves for several production cycles, it seems that what is employed is entirely spent in the production cycle. Raw materials par excellence consume their entire materiality in each production cycle; the same is generally true of auxiliary materials. What is not the case with machinery is that it has a useful life that extends over a series of production cycles.

To acquire the machinery, a capital investment is required, let's say $100, but that machine will only be used for 100 production cycles. The capital being employed is $100, but since it serves for 100 cycles, its value is gradually transferred to the value of the product, and the amount consumed from the machinery's value is only $1. So, each time that machine is used, the capital employed is $100, but the capital consumed is $1. This is why the reference is made to the fact that the natural forces embodied in the machinery are available, corresponding to $100, but each time they are used, it only costs $1. This is the difference between capital employed and capital consumed.

It has special reference to constant capital. Because variable capital, in principle, is always equal to the amount consumed compared to the amount employed, because labor power is purchased and applied to production… With this added element: the capital advanced is annihilated in production and is replaced by a new value that did not exist before and that replaces and regenerates it. From the capitalist's point of view, what it cost to acquire labor power is the value of the worker's labor power, which resided in the worker's body. The capitalist bought it—and we must remember that Marx is always referring to the capitalist's capital to acquire labor power as capital advanced to the worker, after the worker delivers their labor power. So, there you have it: the capital consumed in each production cycle is equal to the capital advanced. The same occurs with raw materials. With auxiliary materials, it depends on whether they are useful for more than one production cycle or not. In the practical movements of capital in general, auxiliary materials are considered to be entirely consumed each time they are used. Machinery is what makes the difference. One might see that tools also make a difference, but where did the growth of constant capital invested in raw materials, faster than variable capital, and then the capital invested in machinery at the expense of variable capital, come from? It was essentially associated with the development of machinery.

I'm going back to what we've been discussing, and I'd like to clarify something regarding technical composition. Technical composition relates masses of things that are qualitatively heterogeneous. Because on the one hand, there's a material mass of means of production, which is itself heterogeneous, and on the other hand, there's a material mass of living labor. Therefore, it's a relationship of magnitude whose term cannot be established, which cannot be expressed quantitatively in given magnitudes. Since this idea of a relationship of magnitude without being able to specify the quantity might sound strange, I often use the following analogy. If you look at yourself and ask how much you knew when you first entered formal education, and how much you know today, it's clear there's a quantitatively

enormous difference. But if you try to find a quantitative term for it, since these aren't two homogeneous bodies of knowledge, you can't compare them and obtain a magnitude of how much more you know now compared to what you knew when you started school. The same applies to technical composition. And what we will see in the development is that, in order to... the quantitative expression of the technical composition, it must be mediated, that measurement or reflection of that change in magnitude must be mediated by the composition of value. And then, Marx will propose that there is a relationship, he says, of mutual interdependence between the technical composition and the composition of value. And then, he says that to express this relationship, he will give the composition of value, "insofar as it is determined by the technical composition and reflects the changes that have occurred in it, the name of the *organic composition* of capital." [292]And then, he says that when referring to the "composition of capital" what is being referred to is the organic composition of capital.

This raises issues that complicate the relationship. First, there can be changes in the value composition that don't correspond to changes in the technical composition, and therefore aren't changes in the organic composition of capital. Generally, when one looks at the capital of a sector, there can be changes in the value composition that don't change the technical composition. For example, when the same machinery of lesser value is incorporated into the sector, technically the machine is the same, the technical composition remains the same, and the value composition has changed. But at the same time, when one reflects changes in the technical composition as changes in the organic composition through changes in the value composition, the technical composition includes the total mass of means of production, and therefore, what corresponds to the total mass of labor applied to the production of those means of production, and the total mass of living labor that will be put to work. But the value composition doesn't include the total mass of living labor: only variable capital is included.

Therefore, we must be careful, because when we see changes in the technical composition and immediately view them as changes in the value composition, they may be affected by this shift in measurement from a calculation of total dead labor and total living labor, to a calculation between constant capital—if it corresponds entirely to the total living labor—and variable capital, which only corresponds to the paid portion of living labor. I'm not sure if these caveats are clear, and whether I can continue or need to make any further clarifications.

Alejandro: I don't know if it's the right time, but I couldn't quite grasp this last observation you made, and I can't understand why there's a need to pay attention to this distinction, what the problem is.

JIC: The problem is this. Marx will quickly clarify this, and we'll see what the general trend is. But one is saying: we call changes in the composition of value, which reflect changes in the technical composition, "changes in the organic composition." What we have before us is that the two compositions do not encompass the same elements:

[292] Ibid., p. 517.

- **Technical Comp.:** Total mass of dead labor + total mass of live labor paid and unpaid.

- **Compensation of value:** Mass and total value of dead labor + mass of live labor payment.

So, I'm reflecting a change in a certain type of relationship that doesn't have the same components. It won't be relevant to what follows in Volume 1, but issues related to this will arise in discussions about what's called the "transformation of values into production prices." But is that clear? I'm simply putting it out there.

Alejandro: I understand. One problem that could arise is that the rate of surplus value might increase, and that wouldn't be reflected in a technical change, so to speak.

JIC: The rate of surplus value changes, and variable capital changes, but the working day, the total mass of labor put into operation, doesn't. So, there is this movement. When one wants to look at what happens to the technical composition as reflected in changes in the organic composition, one has to be careful that (I'll put it this way) there isn't a change in the technical composition. This refers very markedly to capital movements in certain branches, in a single branch. In the total capital of society, normally when there is a change in the rate of surplus value, it's because somewhere the technical composition of capital changed, making labor cheaper, and therefore, the technical composition of that total capital changed. I'll leave it at that for now, simply to keep in mind that discussions will arise around this. [...]

Aristides: Juan, would it be that the technical composition is something that one looks at from within the organic composition, that it already has to be given or at least start from that?

JIC: No. The technical composition isn't quantifiable on its own; you can't find a term for it because it relates things that are qualitatively different. One could say: I take the technical composition: dead labor versus living labor; but that obscures why the quantity of dead labor then changes, or the quantity of living labor changes. So, the way I have of looking at how the technical composition evolves... I can't measure it as quantities of labor either, because it's private labor, not directly social labor, so I can't recognize it immediately. I need to see how the change in the technical composition manifests itself. To be able to look at it in quantitative terms, I have to mediate it, reflect the change in the technical composition through changes in the composition of value. And so, if I have the technical composition and I have the composition of value [...], the link between the two, as Marx will explain, is: changes in the technical composition are a reflection of changes in the composition of value. He says: I'm going to call that the organic composition. Then I'll elaborate on this and on the formula he gives for organic composition.

[...] Organic composition, in my understanding, reflects the power of capital to generate surplus value. The formula I will present for organic composition is C/V

(constant capital/variable capital). And the higher the organic composition of capital, the greater its power to produce surplus value. The question that arises is how. If we are referring to the capacity of capital to produce surplus value, in reality, the greater the proportion of variable capital, the greater its power to produce surplus value. So why isn't the organic composition of capital V/C? Because what underlies that name is: the more constant capital there is, the greater the productivity of labor, and the greater the productivity of labor, the higher the rate of surplus value. [...] That's why capital with a higher organic composition appears more powerful in terms of surplus value production, but not simply when compared to capital with a lower organic composition. Rather, as that organic composition develops, constant capital grows more and more than proportionally relative to variable capital, and this implies an ever-increasing rate of surplus value. This is what's at stake with the movement of the organic composition, why it has the formula it does. I don't know, Aristides, if...

Aristides: That's fine, of course. The issue of labor productivity appears as a determining factor, so to speak; in the previous chapter only intensity and working hours appeared.

JIC: Yes, productivity had already come up in the section on machinery, specifically in relation to the growth of constant capital at the expense of variable capital. But now we're going to look at the evolution of these magnitudes.

Returning to the section title [293]: what is at stake here? It's a relationship between the amount of labor power that capital will require and the composition of that capital—what proportion is constant capital and what proportion is variable capital. The first step in this development is that the proportions remain the same; the organic composition of capital is always the same. This implies no change in labor productivity, and therefore no change in the rate of surplus value. Accumulation is based on a rate of surplus value that is always the same, and consequently, one could say that there is simply extensive accumulation of capital. The question was what happens to the demand for labor power, and now we'll relate it to this (I'm skipping ahead; we'll return to the step-by-step explanation later).

If capital expands and the ratio between constant and variable capital remains constant, the technical composition is identically reflected in the composition of value. Therefore, the demand for labor power by capital grows in the same proportion as capital grows, and depends on what portion of capital is applied to accumulation. That's what we have in point 1. But Marx, at this point, is laying out all the elements that need to be considered, because he could say: there is no technical change, so the rate of surplus value is the same, and then look at what happens to the demand for labor power. He presents it from the perspective of the composition of capital, and he starts with the simplest determination of the composition of capital: the technical composition of capital is given, it is constant, so what would happen to the demand for labor power? Does it follow? It's all something to think about... I'll add one more thing.

[293]"Growing demand for labor, with accumulation, while the composition of capital remains the same."

What is Marx going to argue? Well, if you look at a branch of production, there's a certain productive technique toward which it tends. So, there might be a limited degree of difference in the organic composition of capital within the same branch. But on average, across the branch as a whole, there's a given organic composition. And then, if you look at all the branches of society, there are branches with different organic compositions, because it depends on the specific technical conditions prevailing in each branch. There are branches where constant capital might have more weight than variable capital, and vice versa. But what's at stake here is what happens to the mass of living labor that capital will use—the total capital of society—which also has an average organic composition derived from the average of the organic compositions of the different branches. And this is what matters from the perspective of what happens to the mass of labor power that this capital will use as its average organic composition grows.

And here's a point I want to emphasize, which, again, relates to issues in Volume 3, but is relevant to the method. As in Volume 3, what Marx focuses on is the role that the different organic composition of each branch plays in the appropriation of surplus value, what is called the "transformation of values into prices of production" and the "transformation of surplus value into average profit." And there's a mountain of discussion about this among Marxists and beyond. It's very commonly asserted by Marxists that, in Volume 1, Marx assumed that the capital of all branches had the same organic composition. But what Marx explicitly says is that he's going to look at the average, not that they all have the same composition, but rather that he's going to take the average composition because what matters is social capital.

Logical representation operates with simplifying assumptions, and so from its point of view, here's a simplifying assumption: they're all the same. But the dialectical development of the necessity of concrete determinations doesn't make that simplifying assumption to examine what it's going to develop. What it does is say: what I'm looking at is the movement of total capital in society. What happens in each of these branches at this point plays no role; I don't need to look at it. I realize it 's present, but I don't need to transform this into a simplifying assumption by saying they're all the same. What I'm saying is that it's irrelevant whether they differ from one another.

With these elements in mind, Marx will say: we have already seen these determinations; let's begin to examine what happens if we disregard the change in the organic composition of the total capital of society. It makes sense for us to begin looking at this on Wednesday. But first, we must recall an observation Marx made at the end of the section on "Absolute Surplus Value," when he said: we are observing that commodities are exchanged in proportion to the quantities of labor embodied in each of them; everyone knows this is not the case, but at this stage of development, trying to explain why they are exchanged equally as products of capital, not simply as products of labor, involves skipping over a series of developments that still need to be made. We emphasize this with the issue of the contradiction that unfolds between capital as it has been presented to us in circulation, as a mass of value that valorizes itself without showing any qualitative

difference, and what we have been seeing in production, where, above all, variable capital is the only one capable of valorization (constant capital is inert). Then we saw that constant capital in raw materials grows faster than variable capital, and that subsequently, constant capital applied to machinery grows at the expense of variable capital…

And now, what we face is that all these differences must be reflected when we look at the capital of the various branches according to their respective organic compositions. Because the one with more variable capital relative to its total magnitude, at the same rate of surplus value, will generate more surplus value; and the one with less variable capital, at the same rate of surplus value, will generate a smaller mass of surplus value. Here we are faced with the development of this contradiction. But at the same time, what I mentioned earlier occurs: we are not yet interested in looking at what happens between one branch and another in the development of this contradiction, because what we need to look at is what happens to the total capital of society. And what we already know about the total capital of society is that its organic composition will grow with the development of machinery. But to take the first step, let's simply look at what happens with the extensive movement of the total capital of society.

[Doubts about gratuity, subject of science, consciousness and will...]

Javiera: I listened to the previous class, and if I may, I'd like to ask a question that predates it, because there was quite a debate. Arístides spoke, and I also share some of the doubts Alejandro raised in the last class. [...] It has to do with this difference between capital employed and capital consumed. [...] because you say there that the capital employed, for example, is $100, but the capital consumed is $1. That's why Marx refers to the fact that we have natural forces that are objectified in the machinery, which correspond to $100, but each time they are used, we use that little bit, $1, for example...

JIC: $100 is used and $1 is spent.

Javiera: Sure, but I don't understand when it's said that it's available "free of charge," because that's what it says here in the book. If we already said that the capitalist paid for that machinery, why then, when he uses portions of it, that little bit, is it said that the entire body is being made available free of charge, if only a little bit was used? Why is it said that the whole is being made available free of charge? In what sense is the entirety of the whole body being made available?

JIC: Here's the thing. Because for me it's not so simple either, I'm trying to figure out why this idea of appropriating it for free comes up, because the capitalist actually made the investment by buying the machinery. I understand that argument—in what sense can it be that the capitalist has "free" access to the natural forces whose control is embodied in the machinery—what you were saying, is simply that he has the machine intact, always. And in this case, we were talking about a machine that he's going to use 100 times in its entirety, and each time he uses it, it will only cost him 1. So, he has the entire machine at his disposal 100 times, and when you add it up, how much did it cost him to have the entire machine at his disposal one hundred times? It cost him 100, but he had it at his disposal 100, 100, 100... one hundred times he had it at his disposal. I don't know if that's clear. I'll simplify it because I don't know how to do those calculations.

Javiera: That much is clear, what's not so clear to me is whether it's free [...]. Because before you were referring to free things in relation to nature, right?

JIC: The "before," if I remember correctly, is several chapters earlier, it's the chapter on machinery where that same observation appears.

Javiera: Ah, well, then it's not free.

JIC: It depends on how you look at it. I'll simplify it because 100 x 100 is harder to multiply. But let's say it's a machine that costs $10 and can be used for 10 production runs. What does this mean? The capitalist had access to the $10 machine 10 times. How much did it cost to have access to that $10 machine 10 times? Only $10. That means that instead of having to pay $100, 10 x 10, to have access to the machine, $90 of that $100 was free.

I've discussed this with myself many times; in some recordings I must say that's not how it works, because of the fact that the machine is paid for, but sometimes the idea pops into my head and sometimes it doesn't, and I understand that it's meant this way. The capitalist has access to a natural resource, natural forces that are objectified in the machinery, in their entirety each time they use it. So each time they have 10 of it, but each time they use it, it only costs them $1. After the 10 times they used the machine, they had access to something worth $100 for which they only had to pay $10. And consequently, they had access to that attribute of the machine for free. In contrast, with raw materials, for example, because they have 10 of them, and each time they use them, they spend $10 and have to go and replace them. On the other hand, the machine doesn't need to be replaced because it wasn't used up. They have access to the entire machine and only use a small part of it.

Javiera: Sure, but what you just said is a bit different, because one thing—and I agree with this—is that the capitalist has the entire machine at his disposal, because obviously he couldn't occupy just a piece of it if he didn't have the whole machine. I mean, what is a piece of it without the whole machine?

JIC: That's the materiality of the machine. The machine has to be materially intact.

Javiera: Sure, but adding the "free" part doesn't quite convince me. I'd have to look into what you said about it referring to the chapter on machinery, but for example, if we go back two pages and it talks about nature, it's different, although the "free" nature of natural elements still makes me uneasy, because they aren't products of human labor. But this is all a bit strange.

JIC: That's the explanation I can give you for the term "free." If I have to explain it, not following Marx's development, but in general terms, I prefer not to put it in those terms. But I understand, when I try to answer why he uses the term, that this is one possible meaning. I use it 10 times and it only costs me once. So, the other 10 times I used it for free. Put another way, I mean. I have to recover it in one transaction. In practice, this happens annually, but in the last cycle of the machinery's useful life, in this example, only 1/10 of its value remains. And 100% of its use value remains. So I'm using something that has value, and that… Here's where the problem lies, depending on how you strictly look at it.

It's true that the capitalist has to save what is returned from the capital as the machine is used up, so that the capital that starts out being, for example, $10 worth of machine, $0 worth of money (when the machine is newly purchased). In the following year or cycle, it becomes $9 worth of machine, $1 worth of money, $8 worth of machine, $2 worth of money… $1 worth of machine, $9 worth of money. The capitalist can have access (with the development of the credit system this takes concrete forms, and so on), in principle, to that $1 worth of money, because he won't need it for another nine cycles. And so, when I did the analysis of economic cycles, of accumulation, I considered this situation.

Let's assume that instead of having 1 machine, you have 10 of these machines. This means that in year 1 you have $100 worth of machines and $0 in cash. In year 2, having spent 10% of the cost of 10 machines, you have $10 in cash and $90 invested in the machine itself. With that $10, you can buy another machine (let's disregard the additional capital needed to operate it). You still have $100 in capital, but now instead of 10 machines, you have 11. After the next cycle, you again have $10 in cash. Your machines are worth $80, plus... I don't remember if you had to add the value of this additional machine. And so it goes until, at the end of a 10-cycle period, you have 21 machines with the same capital. And this is where the first 10 machines break down. At that point, your production scale will decline. Its production scale will fall from 21 to 11, but it still has a capital of 100, and now has eleven machines.

Well, I don't think that's what Marx is referring to when he says the machinery is available "for free," but in this case, all the machines he has after the first ten broke down, he bought with... Let's put it this way: while he has 11, 12, 13, 14, 15..., the 11th, 12th, 13th... are free for him. Then, when he only has 11 left, he had to put up the $100, but he has one complete machine that's free, and he's back on track in the same amount of time. Again, for me, Marx's point is that the capitalist has a material asset worth $100 and has access to that material asset worth $100, spending only $1 each time he uses it. That would be equivalent to (I'm going to take a risk, it might be nonsense, but let's suppose it were): why can't the same be said of the worker? Why is the worker's labor power not available for free, and yet, at the same time, with the worker (not with the machine) there is a part of the workday that is unpaid?

Javiera: Because it's spent all of it. Right?

JIC: And because it lasts longer than necessary. During the surplus labor phase, the worker's labor power is available for free. I don't know if there's a similarity to saying: to have the worker's labor power available for free, you have to pay them what that labor power is worth. To have the machinery available for free, you have to spend what's necessary so that, when the machinery's useful life ends, it can be replaced. But in the meantime, it continues to be used in its entirety, even though it's being worn out. I don't know if it's very... besides, variable capital has a completely different form of rotation than constant capital: variable capital is annihilated, a new value appears; in the case of constant capital, particularly machinery, nothing happens, all it does is transfer its value to the value of the product. I don't know... I don't have any further answer. I don't know if there's anything else from last time and if you want me to start from scratch or try to move forward.

Javiera: I have a small question from last time. It's when you say that capital incorporates "social progress" for free, achieved "behind the back of its old form." Are you referring to science?

JIC: There are also things that underlie the observation, and one can say: well, this leads to that, and that's why... When we look at who the subject of scientific production is, Marx says that capital appropriates other people's knowledge, other

people's science, for free, but he never manages to define who the concrete subject of that scientific production is. He clearly states that capitalists are not the subjects of scientific production; he has no doubt about that, but they don't appear. And furthermore, in what we are seeing, if we adhere strictly to the development that appears so far in *The* What happens to workers is that the development of capital gradually erodes their productive attributes, stripping them of control over the unity of their labor process as individual members of the collective worker, condemning them to repetitive tasks... To the point that Marxist authors, such as Braverman, argue that only if an individual performs repetitive, meaningless work, over which they have no *control,* devoid of creativity, is they a member of the working class. This stems from a limited perspective, failing to recognize that the problem lies not in interpreting texts, but in observing the concrete dynamics of society, using Marx's theory as both a tool and a guide. Therefore, the assertion that social knowledge is appropriated without cause becomes ambiguous.

There's a more restricted sense. It's clear that the new machinery produced will benefit the capitalist who makes pens, but it's not produced by the capitalist who makes pens, but by the capitalist who makes the machinery. And so, the capitalist who makes the pens appears to be appropriating extraordinary surplus value because they sell below the social value but above the individual value, benefiting from the technical and scientific development made by someone other than themselves. Now, what happens in the concrete movement? Here, there are several transformations. This is valid as long as the capitalist who uses the machine isn't the same one who produces it. But what happens? And at some point, in some aspects... I mean, in the textile industry, it's clear that the weaving machine isn't produced by a textile capitalist; they don't have the means to produce it. They might participate in deciding what improvements can be made, but they can't produce it themselves. But as capital grows... What we've seen so far is that each individual capitalist needs to accumulate an ever-increasing amount of money, and it may be that within that larger amount of money, the way to compete with others is for the textile capitalist to also own the factory to make weaving machines, to make looms. But let's consider it this way. What happens in practice when there's this division between a capitalist who creates the technical innovation and another who will use the machine in which that technical innovation is embodied?

The capitalist who makes the machine will tell the capitalist who will use it: this is the source of profit, of extraordinary surplus value for you. I'm not going to give it to you for free; what I'm going to do is: let's share it. The price of this machine isn't simply the value of the machine itself; it incorporates a portion of the extraordinary surplus value, which can't be realized through the sale of the machine, but will be realized through the sale of the product made with it. I don't know if we discussed this when we looked at machinery, but all of this has a lot to do with the material form that machinery development takes. While producing machinery and innovation in machinery required a whole development process, for a machine that wasn't going to be used by the capitalist who produced it, but rather by another capitalist in a different sector, what emerges is that the capitalist who made the machinery will ask the capitalist who will use it to cede a portion of the extraordinary surplus value. He won't ask for it outright, you understand? He's not going to say, " You have to give me this." What he's going to say is, "This

machine, which will allow you to earn so much, isn't worth $100, it's worth $120. So, instead of earning an extraordinary $100, you'll earn $80, and the rest is mine." Because, moreover, the capitalist who sells the machine earns it all at once, since it's worth the full price of the machine, while the capitalist who's going to use it will only accumulate extraordinary surplus value as they use it, and eventually it will disappear. Therefore, for that capitalist, the problem is not paying for the machine, so much so that when the extraordinary surplus value disappears, they still haven't paid the premium.

Well, to make looms you need a loom factory, where you can reverse engineer a loom, buy it, disassemble it, and take each piece from the loom to a tool and die shop to have all the pieces made identically, and that's it. And from now on, anyone can have one… Not just anyone can produce a loom, which is a source of extraordinary surplus value, because all of this has to be done in between; you need a factory afterward to assemble the loom. But when innovation starts to take hold… The machine becomes increasingly automated, and the innovation isn't simply that the machine has a slightly angled compressed air outlet, which gives it more speed or prevents the yarn from tangling. The real issue is that there's a computer system that regulates the machine, and if you acquire that computer system, the only challenge is copying it.

One of the marked transformations in the legal frameworks governing the development of machinery is the much more rigid application of intellectual property rights compared to the 19th century (when they already existed). This is because now the developer of the most productive machine isn't even the one who manufactures it; instead, they sell the source of the technical innovation to someone who does manufacture it, and that source is easily appropriable. Then this whole issue arises, where the argument… (and now I'll address Marx's perspective on society), those involved with vaccines do the same thing: what does the individual capitalist say? I took the risk, so now it can't be that everyone… I invested capital in this, and it's capital that could have been lost entirely, and in fact, more than one person lost everything they invested. Therefore, this can't be made available to just any other capital that will reap an extraordinary profit by selling this… The reality is that much of this development is financed by nation-states, meaning they didn't contribute a single peso themselves, but private property remains the general rule.

So, all of this has changed drastically since Marx's time. But I return to the point that, from the perspective of the individual capitalist (I don't know if this is Marx's intended meaning or not), the availability of a machine with an innovation—assuming it costs him nothing, or even if it costs him more, but is a source of extraordinary surplus value for him—is not the product of his own labor; he benefits from something created by society, by a third party. This is the first sense in which one can say that, when a new machine arrives, the capitalist who will use it is benefiting from the development of science by society.

[…] In Volume 1 of *The In Capital,* no worker with a scientific consciousness appears, beyond the maintenance workers who claim to be artisans with some scientific awareness. In Volume 3, but linked to circulation, workers appear who

also cannot be said to have a scientific consciousness, but who do occupy the role of the capitalist, and what he proposes are workers who know languages, who can do arithmetic, write… But it is clear that this is far from what would be called a scientific consciousness today. In the *Grundrisse,* which predates Capital, the drafts of the Contribution, there is a phrase at the point where there is a whole development regarding the overcoming of the capitalist mode of production, which is very different from the one in the immediate aftermath, in Volume 1.

What Marx argues is that with the development of accumulation, with the multiplication of social wealth, the working-class population has to grow, but the population "in general" also has to grow because the development of science is necessary. So, the first thing that appears is a contrast between the working-class population and the population in general, where the workers seem not to be included. And something I'm struggling with... It's the weakness the vaccine gives me, I'm going to break my rules; it's the same when we get to Volume 3... In a place where he's talking, not about this in particular, but suddenly, in a little bit, he says: we have to distinguish between "collective labor" and "general labor." And immediately afterward, what he's going to say is: general labor is all work, all invention, all discovery (I don't remember if he uses that word) "scientific" is there. So, when he says “the general population,” the question is whether he isn't referring to the population that possesses that scientific consciousness, but appears separate from the working-class population. And that's where… I suppose you've heard it mentioned, because many of those we've spoken about recently refer to the “general intellect,” it's taken from there, it's the “general intellect”; which, precisely because of the things he's been saying, isn't just any intellectual work, despite what individuals like Negri and Lazzarato think, the work of advertising… Intellectual work, the “general intellect,” with this definition he's given of general human work, is scientific work. One might think that advertising is part of it, that it's done scientifically, but to think that it's the development of objective consciousness and not the development of ideology is an abstraction. In any case, it plays a role in the development of the unity between production and social consumption within the capitalist mode of production.

But well, with these caveats and these points of view… not only in this part of *The* This ambiguity appears not only in the *Grundrisse* but also in the *work itself.* And often, instead of stating that capital satisfies a need of capital, it appears (as we saw when the struggle over the length of the working day arose) that society is reacting. And there, society is abstracted from its specific determination. Society is the personification of capital; it is not an abstract need of society, but a need of capital. As long as capital can continue to reproduce itself, annihilating nature and humankind, it does so. When its own movement begins to clash with this annihilation, ideological, political, and scientific expressions appear, revealing that the clash is taking place. Now, these expressions are not born apart from capital; they are ways of expressing the unity of the movement of capital. But Marx uses these terms in this way.

We should have asked him why he phrased it this way. We talked a bit about the historical moment in which he was writing, what he could see regarding the working class as a subject. I don't remember if it's in the prologue of the first

edition or the afterword of the second, but he states that it's written for the German working class, and in a much earlier work he says that the bourgeois philosophical spirit is dead and has been reborn in the German working class; so, he's thinking of a working class that has the capacity for thought—not in the case of philosophy, but in the case of science, yes—objective thought. In the case of philosophy, abstract thought, which requires a whole complex development of consciousness. Well, that's how he's framing it.

Since I violated my principles (here I behaved like Groucho Marx and not Karl Marx: these are my unwavering principles, but if you don't like them, I have these others)... Why might one think that scientific work, objective knowledge, is human work in general? And here, "general" is not synonymous with "universal," it refers to what pertains to the human race. And what have we been observing in the human race? How does the human race initially differ from animal species? Simply by a difference in the degree of complexity with which it is capable of transforming nature into a means for itself; it is a quantitative difference. This quantitative difference is reflected as a qualitative difference with the development of the productive forces of labor, which is carried on, takes shape in the development of human knowledge, science. And when we say now that human labor and human beings are no longer simply distinguished from animal species by the scale at which they transform their environment into a means for themselves, what we now have is the way in which they carry out this transformation: they consciously and voluntarily govern the expenditure of their labor power. And that is why we said that they are the subjects of their own history.

Since consciousness and will are the product of the development of the productive forces of human labor, they are the very embodiment of its generic being. But what we now have is that human labor is already generically differentiated from any productive activity of a living species. And yet, at the same time, it still retains an attribute that makes it equal to animal productive activity. The animal has to expend a part of its body to apply that expenditure to the immediate appropriation of the environment and transform it into a means for itself. When one looks at human labor in light of the development of consciousness and will, what one has before one is manual labor. And manual labor has this same character: one has to expend a portion of the body, apply it to the tool so that the tool operates on the object of labor and transforms it. It is the same thing that the monkey does when it sucks on a stick and puts it in the anthill so that the ants stick together. It does exactly the same thing.

I don't call animal productive activity "work," but it involves the productive expenditure of the body, governed by a knowledge that is not conscious and voluntary, which is a complex knowledge. Well, this is the same thing a manual laborer does, except that the manual laborer does this by organizing and applying that expenditure of their body to the tool so that the tool operates on the object of labor and transforms it. When one looks at the development of machinery, what appears is a type of work that was present before, but which doesn't have the degree of development it has with machinery. This work involves developing the capacity to control natural forces, to objectify that control in the machinery; and, if one looks at it in relation to the unity of social production and consumption, the

movement of the social relation, to objectively understand—and, therefore, to be able to carry out with conscious and voluntary action—the organization of this process. So, human labor began to take a form that is no longer materially comparable in any aspect to animal productive activity. Because the tool is no longer in the hands of the worker, the tool is part of an automatic mechanism, it is automatically discharged onto the object of work, so that it transforms the materiality of the object of work.

On what is the development of machinery based? What will Marx say? Practical knowledge is the knowledge inherent in manual labor; the ability to handle tools can only be acquired through work, and it resides in the subjectivity of the individual who developed that knowledge. What emerges here? The separation of that knowledge from the person's body. What he will propose as characteristic of the development of large-scale industry is the development of science, of this intellectual work. This work is absolutely distinct from any form of animal labor. And that is why (this is what I reproduce from what Marx says; I don't claim this is what Marx actually proposed, but it tells me this and makes me think, and subject it to criticism as to whether or not it is correct) when he speaks of intellectual labor, of science and inventions as generic human labor, and when he says that human beings are in the process of transforming all of nature into a means for themselves, and even when this term appears that "capital appropriates other people's science for free," "nature," and so on; what is present there for me is how human beings, in the capitalist mode of production, are fully transformed into a generic being in whom nothing remains of the immediate form of animal productive activity. […]

Alejandro: Regarding your last point, I don't know if the substantial step towards generic being occurs when the development of productive forces advances under the specific social form of capital, or if that substantial step was already taken from the outset, from the moment human beings begin to have functional tools, which they can use in different ways to appropriate the environment in its diversity, and that's what's referred to in machinery, the development of that very thing. I don't know if I'm making myself clear.

JIC: I'm not sure if I followed you. But while the tool is manual, human productive activity requires the immediate exertion of the body on the tool to transform the object. When work is done with a machine, the tool becomes part of an automatic mechanism; the human arm no longer intervenes. The only thing that intervenes (in absolute terms) is human consciousness; that is what is inherent to human knowledge. And if you look at the processes of robotization, etc., human labor is increasingly becoming separated from the direct handling of the tool. Marx, I don't remember exactly where, says: it is capable of making all of nature function as one of its arms, as one of its organs. Now: for nature to function as one of its organs, outside of that organ, there should be no direct intervention from other human organs.

Javiera [Chat]: That's in the 1944 *Manuscripts.*

JIC: Well, thanks, because I never remember where anything is.

Alejandro [Chat]: But isn't there already a moment of the generic human being in the production of the tool?

JIC: I'm not saying no. Yes, human beings are generically different, as a genus, from any animal species. First, because of the scale on which they make transformations; second, because they produced conscious, voluntary knowledge for themselves and now organize their productive action consciously and voluntarily, something no other living subject does. But, I say: it still resembles the productive activity of animal species. Therefore, it has a common attribute with animal species. Now, human labor as "intellectual" labor (a term I don't much like, but well, it's what's used and there are reasons... Hegel has some criticism of it somewhere, but then he still uses it) has nothing to do with the labor of an animal species. It has a materially different form, because the labor of the animal species is also organized with its knowledge, but then—let's put it this way—it has to "get its feet wet" in the process of appropriating the environment.

With "intellectual" work and the objectification of that knowledge in machinery, human beings have to do the same work that animals do: organizing, knowing, and knowing themselves as subjects, but they don't get their hands dirty. This, then, is what appears as the full development of a genus distinct from any animal species. Then the ecologists and naturalists will come after me and try to crucify me, but for me, it encapsulates this generic condition. Marx calls it "*general human labor*" because it is the work proper to humankind.

Javiera: But why would he be separated from the working class?

JIC: No, that's how it appears in Marx. I argue that it's not, that it's the opposite: it's the working class that carries the development of that general labor, but Marx separates them. One can think of hypothetical reasons, which is completely pointless; because what one has to do is look at this statement: can I recognize it in the reproduction of the concrete reality before me? Is this so or not? I look at myself as a member of the working class, a bearer of scientific consciousness, and I say: I have the attributes of being a seller of labor power, the only commodity I have to sell is my labor power, etc., I recognize myself in my process of reproduction as an organ of capital. And I say: I am a bearer of this. Then, when I get to that point, I don't recognize myself in the development that is there, in a worker without scientific knowledge, in a growth of the working population, but also of the population in general. I don't see that differentiation; In any case, it should be the growth of the working population that does general labor, but could there remain a working population that does not do general labor? Or is this the full movement of the development of generic being? Then, one might ask: why could Marx frame it this way?

And I look at what appears in Volume 1, that he lacks scientific knowledge, and one of the things that might lead one to consider the reasons is that it's true: the English working class, the most developed working class in the world at the time, was entirely illiterate. I think I've said this before, but sometimes it seems that Marx is looking at conditions that predate his writing. So, in 1820, the *English*

population as a whole—the working class was even worse—had two years of formal schooling… That's an illiterate population. It's very difficult to say that these people, who are massively illiterate, have the potential to be the subjects of scientific production. At the same time, what appears to him… (it may be that he didn't see them as workers, that's also possible). Adam Smith was a seller of labor power, Ricardo wasn't, Malthus wasn't; Malthus was a representative of the Anglican Church, and the Anglican Church was the main, or one of the main, landowners. And if you look at who appears as the figures of technical innovation, they appear very much as the product of the work of an individual who, in general, was not a member of the working class. With workdays of 14-16 hours, then 12 hours later, 5 days a week, it is very difficult for an individual to develop their scientific awareness, even though the political organizations of the working class, the trade unions, always strongly promoted the development of education in general, and of the workers who were part of those organizations.

So, one looks at this, and it may appear as something that can't quite be resolved. In Volume 3, he sees workers with language skills, which requires a whole development of educational training, and he sees them as capable of organizing the movement of capital. And there will come a moment when something will appear… actually, something that Smith himself had seen. Because Smith, when he begins to explain profit, says that it's not a managerial wage, because you can hire someone to do it and pay a wage. And he also says that it doesn't depend on whether it involves a lot of work or little work, so Smith himself is already seeing that there is… But he doesn't see it as a member of the working class, because he has to talk about the workers; that individual who could receive the managerial wage doesn't even appear. The worker lives… In Ricardo's case, the natural price of labor is the subsistence wage. In Smith, there's an ambiguity that it can be above that, but Ricardo simply doesn't…

If you look at most of the intellectuals who appeared in the contemporary movement with Marx and others, Marx and Engels themselves didn't come from the working class, not even remotely. Neither did Proudhon, nor Lassalle, who was… here we'd call him a "posh" (a derogatory term for a certain type of intellectual), I don't know if you understand. He was such a pompous type that he died in a duel over a woman. And that was something the nobility did; the working class didn't duel. Even the bourgeoisie themselves were unlikely to duel. Marx recognizes Wolff, to whom he dedicates Volume 1 of Capital, as a member of the working class. Now: Wolff was apparently an activist, not one of the intellectuals involved in this whole development of the discussion regarding how the life of society was organized, which is the general social relation, the capitalist mode of production. So, one can venture a guess… and it's irrelevant, perhaps he had completely different reasons…

Luis Denari, in his sadly unfinished biography of Marx, makes some points that I don't fully agree with regarding the circles Marx associated with and the reasons for those associations. Marx and Engels were the intellectuals within those circles, and in general, especially at the beginning, there weren't… I don't know what the others were, the more mainstream members; I suppose there were workers there, but they appeared much more in leadership roles, not necessarily in the

intellectual orientation I'm talking about… One of those who stands out in a notable, contrasting situation, I believe, is Durkheim, the one who studied suicide. He was a manual laborer, and from his condition as a manual laborer, he developed the capacity to consider questions of social cohesion and so on. I don't recall if it was Lenin who made this point about Durkheim. Lenin wasn't a seller of labor power either, nor was Trotsky… So objective barriers appear to the possibility of recognition… At the same time as he is being seen and recognized, being able to integrate that subject with what is being said about him, because it is said of him that he is the bearer of this, and at the same time encountering that and not being able to fully grasp it… But well, this is what I wonder about regarding why these barriers might appear… If I remember correctly, Lenin reproaches him for getting involved in many arguments with people he shouldn't and for wasting time arguing with those people instead of taking the time to study what is important. He says that about someone, I don't remember if it's Durkheim.

Alejandro [Chat]: Is the absolute knowledge that appears in Hegel the idealist inversion with respect to this process of formation of the generic human being that is advancing in the scientific appropriation of the environment that we are seeing using Marx?

JIC: This should have been asked of Luis Denari rather than me, as he could have answered it, because in reality, regarding Hegel… I was never interested in idealist forms, but rather in the structure of the method, which for me was not inverted, it was right-side up unless one thinks that first the form is generated, then the content, and then the unity between form and content in thought.

For me, the first step is to confront the form one wants to understand, to question its necessity, and this questioning, this analysis, confronts one with the content; and once one has unfolded the determinations of the content, what now lies before one is the need to answer why that content necessarily has the form it has. I read very late in life… […] the *Phenomenology of Spirit,* because in a way it is the process of analysis. And I had no problem with the process of analysis; I had a great problem with returning to the concrete form. And the development that appears in the *Science of Logic,* precisely because it begins with what Hegel understands to be the simplest determination, advances all the time in the development of concrete forms.

Having made that clarification, I could say yes and no; I would have to think about it much more before answering. Because this scientific knowledge isn't absolute knowledge, it's concrete knowledge: it's knowing the determinations of the concrete object upon which one is going to act, and therefore it's knowledge of the condition of the concrete subject. That's why I would say no. Why would I say yes? Because when Hegel looks at the human being (perhaps I'm talking nonsense), the human being is the objectification of that absolute knowledge. The problem that the human being has for Hegel up to this point is that it doesn't recognize itself as such an objectification; it looks at it as if it were something external, and in reality, it is the human being itself in its unfolding. And in that case, the answer might be "yes." I can't answer more than that, and I'm not going to lie and say I'll

think about it, because I won't. This doesn't answer what I need to answer. Okay, Alejandro?

Even more regrettably, not simply because of Luis's death, but also because for the last two or three years he had been working very hard. He had already written about the relationship between Marx and Hegel, and he began working intensely on Hegel himself, planning to rewrite some of what he had already written. We'll see what he left as drafts, but I got the impression that, deep down, what we discussed, he hadn't quite finished putting into words. I suppose he has many notes, but I don't know if they can be structured into a text, especially regarding Marx. But we'll see how far he was able to fully develop what he was working on. In these last few years, at some point, he was indignant with Hegel, because he said that after discussing the concept of humankind and absolute knowledge, Hegel wrote an article about the virtues of the German monarchy, and after explaining that this was the idea being objectified and that humankind was the bearer of the objectification of the idea, he ended up spouting a load of nonsense about what was happening in his contemporary Germany. And it was a major concern of Luis's: how could someone with the capacity to develop such an enormously complex theory as Hegel had created, when faced with an immediate, concrete form, not even be able to associate it with what was before him, with his own construction, not be able to recognize it as an expression of what he was proposing, which was, let's call it, the unity of the phenomenon before him? But anyway.

Alexander: He never stopped being a philosopher.

JIC: Well, there it is. But Luis was indignant because he said: it can't be that… Because if he were a guy who spouts a few stupid things about what's happening in life, let's say… […]. If he had been one of those individuals who wrote speeches for Macri, one would say it's because he never stopped being a philosopher, but undoubtedly an individual with an extraordinary mind, in a time, with the tools to know much more… Perhaps that favored him and didn't disturb him, but how was he able to see what was in front of him, and even though he couldn't accept how he was in that determination…? Perhaps because he couldn't accept himself as that alienated subjectivity, because he saw himself as a human being, as the existence of the whole… […] I already have his name: Rozitchner Jr., advisor to the former president of the nation, but he teaches online courses and workshops on writing, philosophy, Nietzsche, and other topics of thought.

Javiera: Hey, I don't know who he is but... you killed him! [Laughter.]

Alejandro: It had to be Nietzschean.

JIC: My father was an intellectual, a good ten years older than me, who was in Paris in 1968, and he was one of those Marxist philosophers linked to the development of these increasingly free-spirited ideas. He was a professor of social sciences, and I think also of philosophy and literature. A very authoritative figure within that school of Marxism, and as far as I know, he had two sons: one who's younger than me, around 50 or 60, and the other when he was… I don't remember if it was 80 or 90, so he's just a kid. He died not too long ago. And with these things

that happen, and you can never know what's going to happen with your own children, he turned out to be the opposite—at least formally—of his father: ultra-liberal. I mean, you can't be too rigorous and be a philosopher of that kind, but he was an individual who wrote books, who had his own whole school of thought, and his son is a charlatan, a phony peddling this stuff that was mentioned there, and an ultra-liberal. I suppose his father wasn't too pleased about it, but since he's practically my neighbor, I sometimes run into him when I'm walking around the neighborhood.

Let's leave these digressions aside [...]. How do we proceed? I get the impression that going into organic composition at this point doesn't make much sense if it generated so much discussion last time, and now we'll have 15 minutes to develop the topic, so we could continue doing what Rozitchner did and keep digressing. And let me clarify that we're trying to do the opposite, not digress.

Alejandro: A question that lingered from when we finished the previous chapter, and which also stems, in part, from your presentation. It came up at the beginning of the workshop, and I intervened. You gave me an answer that, at the time, somewhat resolved my concerns, but now the question has resurfaced. It's this assertion that no one can produce consciousness in another. To what extent is this true, given that the very human life of the worker is subordinated as an attribute of capital? And furthermore, this issue of childhood, that when one produces food for another, shelters them, one is producing that other; when one punishes them, one is also producing them… In childhood, this is most evident to me, but I understand that it extends somewhat further, and that the concrete actions performed by a father, a mother, a sibling—the immediate bonds within the family—would be, so to speak, mediations of being that attribute of capital. […] As I come to understand this, I now realize that there can be a production of another's consciousness, but it's not an abstract production; rather, it's subordinated to being that attribute.

JIC: Everything you described that one individual does for another, that's social work. Operating within the process by which another individual develops their consciousness is part of social work. Particularly in the case of teachers, that's the essence of social work: operating within the process by which other individuals develop their consciousness. I operate within that process, and I'm producing that individual as a human being through my work, but when I say that consciousness can't be produced for them, it doesn't mean that this individual doesn't think for themselves and isn't conscious on their own. They think what they think as a product of social work, but that's how they organize their own individual activity, and when they have to organize their own individual activity, when the moment comes to carry out that individual activity, others can't pull their arm to make them do what they have to do. What I want to emphasize with that is the image of Miley coming… Sorry also to Xatan, because Javiera is already suffering from it, but she's coming… what's the name of yours, the one who was a presidential candidate and almost won?

Javiera: Kast?

JIC: Kast. So, there's a mass of the working population (I won't say "surplus," because that term hasn't appeared yet) that can't reproduce its labor power, and that repeats what this other individual says. And it's not that this other individual—that's not an expression of their own consciousness, produced for themselves. And this leads to the other aspect: of course, consciousness is determined; it has a multitude of determinations: from biological, organic ones, to other determinations… It's a concrete form that carries the general social relation: I don't produce whatever consciousness I fancy. When I produce my own consciousness for myself, what I'm doing is becoming the expression of all those determinations, a large part of which I've incorporated as a product of social labor, of others. But I can't say, "I am the victim of my consciousness": I am the subject of my consciousness. And it's very important for me to emphasize that.

I always emphasized this in my courses, because the subject of the learning process is not the teacher. The teacher operates within that process, but when you discuss it with them, you find many teachers who think they are the subjects of the process because they believe they are the ones who produce the student's consciousness. And the subject of that process of consciousness production is the student. Even more so when what is being proposed is a consciousness that is based on knowledge that takes the form of a reproduction of the concrete through thought. So, the way to appropriate what others say in order to incorporate it as a product of one's own consciousness is to follow the path that others supposedly claim to have followed and subject it to critique. The denial of that is persuasion. That's why, I don't know if I mentioned it, in the USSR… It's clear that one can convince another individual, which means that the other individual wanted to incorporate into their consciousness what one was telling them, and incorporated it uncritically. Instead of reproducing it himself, he accepted what the other person told him, and it had to be that way because “the other person will know,” because “the other person is serious”… And that is the etymological meaning of convincing: I overcome the resistance that the other person is putting up together with the other person. So, it is in this sense that I say that each person produces their own consciousness as a product of social work.

Alejandro: Yes, I actually have more doubts now.

JIC: You know that my goal is always to sow doubt and not to convince, so… [Laughter].

Alejandro: I partly agree with what you're saying, but partly I disagree, because I think there are some missing points in your argument. You give the example of the university student, and that makes it clear to me—it's more evident, though sometimes not so much—that one finds adults who immediately possess that critical awareness. Not in sufficient numbers, but they do exist. But when does this individual, who has the capacity to develop their own awareness, possess it from birth?

JIC: When one is born, one doesn't have consciousness, firstly, because it's a form of knowledge that requires individual development. What normal people don't have at age six is the capacity to develop a scientific consciousness. I mean,

the theory of relativity, to give an absurd example: it's clear they haven't yet developed that capacity. Now, why would they develop that capacity? Because they live in a society where that capacity is a condition for selling one's labor power to a certain type of worker. Consciousness develops, it transforms. When I was telling you last time about something that is a quantitative determination, but that has no end, and therefore cannot be quantified, I'm referring to knowledge, consciousness. It's clear that the same individual at age 30 knows much more than they did at age five or six, but how much they know is immeasurable; qualitatively, what they know is different—to go back to the topic of organic composition. But that's it.

I raised this point very early on: the question is always how that consciousness is determined. But every truly human action is a conscious and voluntary action; consequently, it is governed by the consciousness of that individual, not by anything other than that individual's consciousness. The question is how that consciousness is determined. I gave, I suppose, the example of the defense of rapists, who say that the victim did not resist, so in reality, she consciously consented to the rape. And the question one has is: of course, she consented consciously, but that consciousness was determined: she had a knife to her throat. And so, it is a decision, a consciousness that is inseparable from its determinants. Everything can be explained by consciousness and will, and therefore nothing can be explained by consciousness and will alone. Alejandro, I don't know if… I'm glad I left you with more questions.

Alejandro: Okay. I'm facing a specific issue that's linked to what you mentioned about Durkheim, and the question of the determinants of consciousness that lead a person to the specific action of ending their own life is very present. So I need to answer all possible aspects of that in order to at least make some progress.

Xatan: Juan, but you've said that everything is determined by conscience and will, and at the same time that nothing is determined by conscience and will. What do you mean by that?

JIC: Every conscious and voluntary human action can obviously be explained by consciousness and will: he hit the person who crossed his path in the street because he voluntarily felt like it; this person started studying because he consciously decided to study. Human action is always conscious and voluntary, so I can explain every human action through consciousness and will: he did it because he wanted to, because his conscience told him he had to. The problem I have is that, while I can explain everything, in reality I can't explain it all.

Xatan: Of course, because it is not an arbitrary will.

JIC: Exactly. What I have to explain is how that consciousness and that will are determined, and then I have to ask myself about the social being of that subject, and that's where I'm going to try to answer why their consciousness and their will… And when it comes to one's own subjectivity, one tries to answer that question until reaching that point. When it comes to someone else's subjectivity, one can sometimes interrupt that answer at a certain point, saying: well, since this is how one governs one's own actions, only the individual can answer it. But when

it comes to one's own actions (one tries, I say, not that one happily succeeds, has it all figured out, not at all), the first thing one does is to ask oneself about the determinations of one's own consciousness and one's own will, if one wants to perform an action that goes beyond the appearance of being conscious and voluntary. And the problem one faces is that one has to keep asking oneself to the point where the concrete action one is undertaking can account for why one is confronted with the need for that concrete action, and why, at the same time, it carries the potential to give that action a different form, if that concrete action contains, appears as the negation of... (it's somewhat abstract, because it's subjectivity itself), of conscious and voluntary subjectivity. That is knowledge, the action itself.

Xatan: But not an absolute negation; that is, in the end, will still plays a role. Even if there is content that shows general, social determinations, if will doesn't intervene in any way... Will has to intervene through this society, right?

JIC: Willpower always plays a role. Let me take the absurd example of the decision I had to make today: should I get vaccinated or not (now that they've called for vaccinations, particularly for people my age)? Given my experience... No scientist could tell me for sure that it was the vaccine, but none could rule it out either, that it caused a heart problem I hadn't had before. So, I could have resolved this situation by saying: well, I'll go and get vaccinated. And I would have done it voluntarily, and my conscience would have said: it doesn't matter, if you have another episode like this, tough luck. And my action would have been a conscious and voluntary one, with a conscience and a will that stopped at the mere thought that it was, in reality, a matter of luck.

The misfortune of having a more scientifically minded perspective makes one wonder: let's see if I can influence my luck, let's see if things go better or worse for me. So, I contacted the cardiologist who sees me regularly and asked him what to do, also suggesting (because doctors don't seem to remember who their patients are, since he recently prescribed an antiarrhythmic and then took me off it) whether it wouldn't be advisable for me to continue taking the antiarrhythmic. And the guy told me to get vaccinated and to take the antiarrhythmic. And I don't know if the other time it happened to me three or four days after I got vaccinated, which is the time it takes for the effect to take hold. I went to get vaccinated *voluntarily,* full of doubt, thinking: what the hell am I doing...? On top of that, I had an hour and a half to think about it, which I had to wait for. And well, it's an action that, up to that point, I knew the decisions, I was satisfied with that knowledge of the decisions, I had references from other doctors, I only had the reference of one who told me "Don't get vaccinated, wait a couple more months", I had the reference of two infectious disease specialists who said "You have to get vaccinated now"...

That's a conscious and voluntary action. But anyone who looks outward, who sees me walk into the hospital today where I got vaccinated, might say, "This person came to get vaccinated because they felt like it." And to explain all this—how I organized my action—simply because they saw me walk through the door—and I walked through the door voluntarily, no one was pushing me—... So, one always acts consciously and voluntarily. That consciousness may have stopped at a

more immediate appearance in its awareness of its own determinations, it may have gone beyond those immediate appearances, more or less deeply, but what will always trigger that consciousness is a voluntary action. So, anyone who observes the action can always resort to the will as an explanation for why the action unfolds.

This is what neoclassical economics does. How does it explain value? It says that every individual has a will to maximize their utility. And so, since "commodities," for every normal individual, have an increasing total utility, but a decreasing utility as a function of quantity, the individual voluntarily, through their will, decides how much they are willing to pay for this object, and that is how the value of this object is determined. But if I take an individual who is going to make a trade and ask them: " Hey, are you going to trade this? Because you like what you want." "Yes." "Do you need it?" "Yes." "And why don't you ask for three units of this?" "No, because instead of having three units of this, I prefer to have one unit of this but have two units of that other thing." "And how much are you willing to sacrifice to have that unit?" "If they ask me for two units of that other thing for this, no, I'm not giving up two units of that other thing for this." So, neoclassical economics says that this is what determines exchange value, price, and the willingness of individuals to exchange.

There's a whole modern school of thought, which I learned about because I had a student—the only neoclassical student in Advanced Topics in Classical and Marxist Economics at UNS, who is now a professor at UNS—who brought me some texts (I have them there in the library) on modern neoclassical value theory based on focus groups… " … They have another name, but I can't remember it. So they ask the individuals: "And what do you prefer, to have two of these or to have one of these?" And one answers yes, and the other says: no, I don't want any of that even if they give it to me for free. And based on that they say: see? This is the determination of the price by the will of the individuals. When that individual made this point to me, my response was: but that is a will that is determined. These are individuals who live in the capitalist mode of production, where the individual has to consciously and voluntarily decide whether to have this or that. Well, at a certain point in my response, he said: "Enough, enough already, I understand you!" [Laughter].

Xatan: Of course, if the mode of production were any other, the will would be mediated by other determinations that we are not able to see right now, but which would not have as a product… The same thing I was expressing a moment ago about changing this for that: perhaps that change doesn't exist because the product is socialized, it is organized collectively. So I understand the point you're making.

JIC: Yes, exactly. So, in that society, if you ask someone, "How much would you trade it for?", they'll say they don't understand what you're asking. Because in their society, the word "trade" (to put it in the extreme sense, with Javiera's anthropological license) doesn't exist.

So, that's why I say, all human actions except involuntary ones… That's why I gave the example in the face-to-face courses, at the beginning of the course: if

someone present gets angry at what I'm saying and throws a notebook at my head, I'm not going to perform a conscious and voluntary action. That action I'm going to take, raising my arm, isn't going to be governed by the thought: “Look, the notebook is a material that's harder than the skin on my head, and if I don't protect myself from that blow, the notebook is going to hurt me, so I have to raise my arm.”… At that moment, the notebook has already hit me. So, there are human actions that are not conscious and voluntary. The digestive process isn't a conscious involuntary action. It's affected by the general social context, because one eats what the social context dictates, one eats with the attention inherent in a social relationship through which one is free and at the same time alienated… It has a lot of social determinants. The first question, moreover, is whether they have enough to eat. But what's clear is that I can't explain an individual's indigestion by their own conscience or will, because they chose to have it. In that case, I have to ask them why *they seem* to have indigestion, and that's where I'll find the explanation.

[II]

What was left unresolved last time regarding organic composition, value composition, technical composition… […]. We are looking at the movement of the total capital of society and the relationship of how the different portions of capital, variable and constant, move with respect to the development of accumulation in its unity. When we began to look at the reproduction process, what we had before us was a first step, which is to look at simple reproduction, on the basis that, looking at simple reproduction, reproduction on an expanded scale is simple reproduction plus a difference. Then, Marx develops the entire theory of simple reproduction, which showed us the unity of the determinations of both the worker and the capitalist as attributes of capital. So, it is clear that here all movement is governed, and all subjectivity in its movement, expresses the movement of capital. But it is not the problem of the isolated worker or the isolated capitalist: it is the problem of the working class and the capitalist class, and therefore, what is at stake is the movement of capital in its universality, of the total capital of society. So, this is present: the movement of the total capital of society.

When we look at simple reproduction, we then look at expanded reproduction, but in reality, as it appeared in the chapter, development is strongly linked to the forms of expanded reproduction, so to speak: what happens to the capitalist's determination as the consciousness of capital and how the elasticity of capital is enhanced to empower itself in its expanded reproduction. And up to that point, the reference appeared to the change in the material conditions of production, to technical change, to the powers of capital that arise from that technical change, which is always governed by the production of relative surplus value. But what happens to the movement of variable capital and constant capital as magnitudes that develop as accumulation develops was not addressed. And Marx will raise this question—it's in the title in particular—in relation to variable capital: what happens to the demand for labor power as capital accumulation moves?

The first point he's going to make is: well, let's assume there's this division between the new capital that will accumulate and the portion of surplus value that the capitalist will consume as rent. And now, what will happen to the movement of capital accumulation? And there he returns to something we already have before us, although it's not framed in these terms. When we started looking at commodity production, what we had before us was a normal condition of labor productivity, deviations from this normal productive capacity of labor, and so on. We even looked, at that point, at the problem that arose with the manifestation of value according to how the productive power of labor changed—the labor that produced the commodity that relatively expressed its value, the one that expressed the equivalent, etc. Up to this point, this movement simply appeared in the technical conditions of production, which implies what happens to the means of production, what happens to living labor, simply in these almost singular movements that appeared there.

When we turn our attention to the movement of capital, we look at the production of absolute surplus value, where all the conditions for the valorization of capital appear to be given: the value of labor power, the length of the working

day, the technical conditions, the productive attributes of the worker… We simply had this. And we discuss the different branches of production, where it appears that each branch requires specific means of production and quantities of labor power. But this tells us nothing; it depends on the technical conditions in each branch of production. We move forward, and when we look at the production of relative surplus value, what emerges is that all the conditions are now imposed by the movement of capital itself. And one of the substantial conditions imposed by the movement of capital is that constant capital invested in raw materials grows faster than variable capital as a consequence of increased labor productivity, and constant capital invested in machinery grows at the expense of variable capital as a condition for increased labor productivity. And this movement of increasing the weight of constant capital invested in machinery relative to variable capital, we looked at it as the movement itself. And the examples appeared showing that it depends on each branch, how the machinery is incorporated, what forms the machinery takes, that there are branches where the introduction of machinery is easier and others less so, and it was simply taken as if those conditions played no role in what one was looking at.

And now, what Marx is going to do is focus on a synthesis of what we've been observing happening as a result of changes in the technical composition of capital, which is a material change, a composition of a material nature that links means of production with living labor: the more means of production there are in proportion to the living labor put into operation, the higher the technical composition of capital will be. As we already know, as labor productivity increases, governed by the production of relative surplus value, raw materials will grow faster than living labor, and machinery will occupy places where living labor previously operated. We summarize this movement as a shift in the technical composition of capital. Now, when we look at the technical composition of capital, it's a material relationship between two things that are not homogeneous and therefore cannot be put into a quantitatively determined relationship. Moreover, not even one of the two poles—strictly speaking, neither of the two poles—but while at the pole of living labor there were differences in complexity, which we view as ultimately being sums of simple labor, at the pole of the means of production there is a material diversity irreducible to a material unity. And so, the problem we have is that we have to establish a quantitative relationship between two poles that are quantitatively incommensurable with each other. Furthermore, one of the poles is incommensurable in itself. So, how do we manage to quantitatively reflect the change in the technical composition of capital?

And what reappears here is something that's been present since Chapter I, which is that what we have before us—the commodity, capital—is the unity of use-value and value. […] So, just as we have this relationship of a technical nature, we also have a relationship of a value nature, the value composition of capital. Therefore, what we can say now is: we are going to indirectly measure the technical composition of capital through its value composition. The problem I raised here (which Marx sets aside) is that when we say “constant capital,” we know it's the value of the means of production. But when we say “variable capital,” the first thing we have is that variable capital is not synonymous with living labor; it's synonymous with *paid living labor.*

And what we need to keep in mind (whether we use it now or not) is that, with the production of relative surplus value, paid living labor, given the working day, tends to decrease because it frees up unpaid living labor. So, we're going to measure a technical relationship between the means of production and the quantity of living labor. But let's put it this way: the numerator is the means of production, the denominator is the quantity of living labor; in our composition of value, the numerator will be constant capital—the mass of dead labor—but the denominator will be only the paid portion of living labor. And so, they will move differently relative to each other. But we have no other option than to measure what happens with the technical composition of capital in this way.

Why can't we measure it in terms of living labor and dead labor? Because we already know that the substance of value is abstract, socially necessary labor, materialized privately and independently, and consequently, value is never expressed as a quantity of its substance. It is unrecognizable, because the living labor that can be recorded is concrete, private living labor. And we don't know if that is simple or complex labor, much less if it has been socially useful or useless, because the condition of being socially useful, which is what we have to relate to constant capital, only applies to that labor which, materialized in its product, is represented as value. So we have to use the value relation with this caveat; when that caveat plays a role, we have to take it into account.

So what is Marx going to do? He says: I have no choice but to look at the changes in the technical composition by their reflection in this distorted mirror of the composition of value. But since things may appear in it that have nothing to do with the change in the technical composition… Commodities continue to be produced with the same productive technique, but their value has changed due to some determining factor; therefore, I have to purge the movements in the composition of value of these spurious movements, and reduce the organic composition to the composition of value insofar as it is purely determined by the technical composition and reflects the changes that have occurred in the technical composition.

So far, this determination has emerged. I now turn to this concept of organic composition, which I believe I raised last time. One wonders why it's called "organic composition" (Marx doesn't explain why). This term brings to mind the fact that, as the organ of surplus-value production, the only organ of surplus-value production in capital is variable capital. Why then, in the relationship between constant and variable capital to reflect organic composition, is constant capital the numerator and variable capital the denominator? *My* answer is: capital as a whole (constant + variable), as the organ of surplus-value production, is more powerful the higher the rate of surplus-value. And what is the condition for a higher rate of surplus-value? Higher labor productivity. And for higher labor productivity? The substitution of living labor for dead labor, the incorporation of machinery. And then what will emerge is this: it reflects the power of that capital as an organ of surplus-value production, because even though variable capital is at the bottom, what is implicit in constant capital as it grows relative to variable capital is that this variable capital is a more powerful organ for the production of surplus-value.

It operates with an increasingly higher rate of surplus-value. And so what we have here is this question of the organic composition of capital. Do you want to raise any points?

Javiera: I have a question. Perhaps, as you said before, we need to move forward and not get stuck on this, but... I don't understand how there can be a growing demand for labor power without changing the total amount of labor being put into operation. How can the composition of capital, the composition of value, remain unchanged if it includes the amount of labor required to operate the means of production? When Marx begins to explain the composition of capital, he already breaks it down into two parts, in terms of value and in terms of material: the composition of value and the technical composition. But the composition of value considers the value of labor power, and the technical composition is the amount of labor required to operate the means of production. My question is: if there is a growing demand for labor power— in relation to the title—how can the composition of capital remain unchanged if labor power is part of the composition of capital?

JIC: I understand. Moreover, that's the first thing he's going to develop. If there's no technical change, constant capital grows in the same proportion as variable capital. There's no change in the technical composition of capital. A constant technical composition of capital implies the absence of relative surplus value production. And what Marx is going to address is: what would happen if there were no relative surplus value production? What would happen to the demand for labor power? What would happen to the pace of capital accumulation if there were no relative surplus value production? And what follows is a change in the technical composition of capital; that is, relative surplus value appears here, and therefore the movements are no longer in the same proportion.

Javiera: Wait a minute. Let me say it again: if there's a growing demand for labor, I understand that the composition of capital can't remain unchanged. I'll put it in the negative to make what I'm thinking clear: if there's a growing demand for labor, then labor is part of the composition of capital, right? It's like there can't be any movement of labor or variation in the productive changes of the means of production and at the same time the composition of capital remains unchanged.

JIC: Yes. With this: imagine there's no technical change. So there's accumulation, capital—let's assume it's 50% constant capital / 50% variable capital—that's the technical composition we're starting from. Capital doubles, there's surplus value, and that surplus value becomes new capital: variable capital doubles, and constant capital doubles, but the technical composition remains the same. Capital accumulates again, capital doubles again, constant capital and variable capital double. The technical composition doesn't change. This is the first case we're going to analyze. What would happen to the demand for labor power if accumulation were based on this? It's a purely extensive accumulation, so to speak. There's no change in the rate of surplus value; it's a movement that reproduces itself ever larger, but always identical to itself. [...] [294]Is the issue clear then? Here there's no

[294]The question is finally answered by clarifying that it grows in the same proportion. (Skip to additional explanation with slides.)

technical change; both move in parallel. So the question is, what happens to the demand for labor if constant capital and variable capital grow in parallel? The demand for labor would grow in the same proportion as the demand for elements of constant capital. And up to this point, this is the simplest determination of the capital accumulation process.

In reality, one can restructure these developments we are seeing by saying [in three steps]:

1) **Simple reproduction,** there is no accumulation.

2) **Enlarged scale reproduction.**
   2.a) without technical change.
   2.b) with technical change.

And for now, we're going to be at stage 2a, expanded reproduction. And this is what we're going to have to deal with here. Is that clearer? Good. Is there anything else on this question of organic, technical, and value composition? Then we'll continue with Marx's development.

So what comes next? Well, it refers to the fact that when he talks about the "composition of capital," he's simply referring to its organic composition. The issue arises that if we look at the capital in a branch of production, what will appear is that, within the normal range, some capital will have a higher organic composition and others a lower one. This is because some will be using more productive techniques, while others will be below average. But what Marx will say is: if we consider the branch as a whole, there is an average composition of that capital: the average of the compositions of the different capitals. And if we average all those averages from the different branches, we arrive at the total capital of society.

Marx here presents it as the social capital *of a country;* this distinction always appears, sometimes explicitly stated as a national process of capital accumulation, and at other times as the universal movement of capital accumulation. I tend to see it as if we are looking at the determination in its general unity; therefore, it is social capital. I don't dwell on the fact that it is fragmented among national spaces because then I would have to start elaborating on the differences between those national spaces. For me, the issue becomes clearer when one looks at it as the total capital of society.

I want to clarify the term "social capital": it has become fashionable to invert all social relations as if they were established by capital, to speak of the "social capital of workers," implying that an individual possessing a certain knowledge has social capital. This is the inversion of every personal attribute as if it were an attribute of capital itself, except that the worker doesn't have capital to valorize; what they have is their labor power with more or less developed productive attributes that will allow them to sell that labor power for its value (as we understand it so far), and that value can be higher or lower depending on the cost of producing those productive attributes that the worker possesses. Therefore, we must be wary of this extremely unfortunate use of "social capital" to erase the fact that the worker

is exploited by capital, and has nothing more than their labor power to sell. I clarify this every time the term appears—now I also tend to clarify it in my writings—, […] because I had some inquiries because I used the term social capital, thinking that it could only be linked to this spurious use.

So what Marx is saying is: if we look at the total capital of society, that capital has a certain organic composition. What kind of capital are we looking at here? The question we have about what happens with the reproduction of capital and the demand for labor power doesn't concern the capital of each branch, it doesn't concern individual capital, it concerns the total capital of society. Therefore, all the differences in organic composition that may exist in the capital of each branch are not relevant to what we need to look at here. What matters here is what happens with the organic composition of the total capital of society. When we look at the organic capital of the different branches (I'm just using this as an illustration), arguments arise that some branches, due to certain circumstances, have a relatively low organic composition, and other branches, due to other circumstances, have relatively high organic compositions. What Marx is going to clarify here is that, since he's looking at the total capital of society, what happens between the different branches is absolutely irrelevant. I'm going to find the direct quote […]. What Marx is going to say is: what we are going to deal with, then, is the organic composition of social capital.

Why am I dwelling on this? When we get to Volume 3, we'll encounter the discussions surrounding the "transformation of values into production prices," and we'll see that systematically, in the texts of Marxist authors who address this topic, the assertion appears that Marx, in Volume 1, assumes a uniform organic composition of capital across all sectors. And nowhere does Marx say that. What he says is that the capital of each sector is different, but that since he's looking at the total capital of society, he'll look at the average of those compositions. So, I think this is important because sometimes people who participate in the workshops have read about the transformation of values into production prices and have come across this assertion. Is there anything you'd like to add at this point? […]

Aristides: And what about “global capital”? What does it refer to? Another movement?

JIC: No, no. If I remember correctly—because I might—the term “global” appears more often in English translations as an equivalent of “total.” It’s not “ *total social capital,* ” but “ *global social capital.* ” I recall seeing it at some point, but it’s the same thing at this point we’re looking at here. Then it’s possible that someone might associate the use of “global” with “universal.” So, where “national” and “universal” appear, it might be used with some universal meaning, but I generally don’t use it. […]

So, what comes next is examining what will happen to the evolution of the organic composition of social capital as accumulation progresses. And now, in particular, we have this situation in which the organic composition of social capital remains constant. This means that there is a certain amount of means of production and a certain amount of labor power that will always maintain the

same proportion, but as a mass of surplus value is generated each year, it will always be destined for the individual consumption of capitalists. However, what determines what portion remains and what portion is accumulated is this other portion that will be accumulated. And this accumulation, materially and technically, has this purely extensive character, where variable capital and constant capital grow in the same proportion.

And here an issue arises that is implicit throughout the entire discussion, but not explicitly stated, and that is how the demand for labor power grows in relation to the growth of the working-class population. What is not explicitly stated is how the working-class population grows. This is an issue that comes from classical economics. The starting point is that the working-class population grows at a given rate, and then there are deviations from that growth; and there are discussions about these deviations. But, in principle, although it is not explicitly stated, the analysis is linked to a certain growth in the working-class population. Because Marx will argue that if the need for capital accumulation exceeds the increase in the labor force, "or the number of workers, the demand for workers can prevail over their supply, thereby raising wages [295]." Now, why would the needs for capital accumulation grow faster than the demand for labor power in a process in which there is no technological change? The determining factor here is that the working-age population is growing faster than the demand for labor. And now I'm going to try to elaborate on this beyond what's presented in the text.

I once made a quantitative diagram of growth rates and organic compositions of capital, and of the growth rate of the working population, and so on, and over the years I've become somewhat critical of what was presented there. But we can look at some of it. I don't know if it's worthwhile because there are charts and charts with different assumptions and proportions. I'll try to look at it more generally. Then I'll look at some specific aspects.

What Marx argues is this: without considering the growth of the working-age population, the demand for labor power grows faster than the supply of labor power. The question then arises: how far can this increase in the demand for labor power exceed the increase in the supply of labor power, the first consequence of which is that wages rise above the value of labor power? Indeed, if one were to argue that the increase in the demand for labor power continues to outpace the increase in supply, the imbalance would become more pronounced, and consequently, wages would have to continue rising above the value of labor power. It might appear that if this situation persists indefinitely or is repeated consistently, all surplus value will be converted into workers' wages, and we will reach a point where surplus value disappears: there is no more unpaid labor; all workers' labor is paid.

If this were to be the case (and this is my argument), what would benefit the working class is to combat technological development. Because if, without technological development, the demand for labor power grows faster than the supply, wages will become increasingly higher, and we could reach a point where

[295]Marx, K. (1977: 518), *Capital,* Volume 1. Mexico City: FCE.

the entire value of the product of labor is appropriated by the workers. And the image might emerge that, given this situation, the capitalist mode of production has been superseded. This image corresponds, for example, to market socialism: each unit of production belongs to the collective of workers of that unit, and they fully appropriate the product of their labor. What is it that Marx will partly propose, and what I will partly relate to the growth of the working population and to the specific mechanism? What would never disappear on that basis is alienation, in this case, of the commodity. Because workers would continue to confront the product of their labor as the bearer of a social relation that dominates them and that they cannot control; therefore, it would be the indefinite reproduction of alienated consciousness. There is some reason why this type of fantasy might be fueled by the concrete movement.

When one looks at the growth rates of the working population, or any population for that matter, they are subject to a series of constraints that, so to speak, limit them. A working population consists, let's say, of 100 individuals, and as long as the biological process of human reproduction continues as we know it, it cannot double every year because, to begin with, half of the population is not directly capable of biological reproduction—in concrete terms, it's less than half—only the female population carries the direct capacity for biological reproduction. But within that population, some are not yet of childbearing age, and some have already passed childbearing age. Furthermore, all population growth must first compensate for the portion of the population that dies and must be replaced each year for it to manifest as population growth.

And so, if one takes all these measurements into account, what emerges is that, considering a series of more or less arbitrary data points regarding the composition of the male and female population, the fertility period, and the production process, the maximum annual growth rate that this population can sustain—assuming all women of childbearing age are giving birth to one child per year—is approximately 10%. I compared this to labor demand growth rates of 4% and 2.5%, and under these assumptions, to sustain a 4% annual population growth rate, this would correspond to 4.7 children per woman per year, and a 2.5% labor demand growth rate would mean 3.5 children per woman over her fertile life. This implies that population growth rates cannot be extraordinarily high. When a population growth rate is 4-5%, it is considered to be growing rapidly. And apart from the fact that there are negative growth rates, I have the specific case of Argentina, which has been decreasing and according to the census, I don't remember if it was from 2010 or 2001, 1999… something like that, it was 1' a little bit %.

So, the idea that sustained and accelerated capital accumulation without technological change can absorb the entire supply of labor power and push wages above value, and in a fantastical scenario, even absorb all surplus value … First, Marx will answer this in general terms, saying something that isn't strictly the answer. He says that more workers enter the workforce each year than the year before; therefore, inevitably, a point will be reached where the equilibrium between the supply and demand for labor will be restored. But if it's simply due to the process of biological reproduction, proportionally more workers will enter the

workforce, which could maintain the appropriate proportion relative to the growth in the demand for labor power, or... Excuse me: they couldn't indefinitely reproduce that imbalance; I'll correct myself if I misspoke.

What Marx points out is that in the first half of the 18th century, complaints arose in England that wages were rising due to a shortage of labor. Now, what mechanism demonstrates that there is no possibility of capital accumulation being exhausted by rising wages, nor, consequently, of capitalist production being overcome [by this means]? As wages rise above value, and the higher they rise, the more accumulation will be stifled because less and less surplus value will be available for accumulation, and consequently, capital will grow more and more slowly. And if a given rate of increase in the working-class population is considered, what will happen is that, as capital grows more slowly, the demand for labor power will also grow more slowly, and faced with a sustained increase in the working-class population, there will begin to be a surplus of labor power. And as labor power becomes surplus, wages will fall towards the value of labor power.

Therefore, regarding whether the non-incorporation of the production of relative surplus value is a political action that would allow the working class to overcome the capitalist mode of production, or at least improve the conditions for selling its labor power, what one finds, beyond what might happen in the immediate future, in a sustained movement, is that it reproduces the same starting point. The working class returns to the same place it was at when it began. What Marx argues is that the goal here is not to produce use values for the sake of producing use values themselves; what governs the movement is the valorization of capital. And it may be that, circumstantially, workers can sell their labor power under better conditions, but that is the reproduction of the alienation of the worker as an attribute of capital, their condition as a forced laborer for the total capital of society. This reduction of surplus value can in no way reach the point where it would become an obstacle, an effective threat to the reproduction of the capitalist mode of production.

The idea that workers could sell their labor power under better conditions remains somewhat ambiguous, as it still implies selling it *above* its value. In *Wages, Price and Profit,* Marx is adamant that the only thing workers can achieve is selling their labor power for its value. Here, a condition appears (which would only make sense as a sustained condition, because it's already known that circumstances might lead to selling above value), ambiguously leaving open the possibility of some selling above value, but he says that this would simply imply a quantitative reduction in unpaid labor. And Marx, here, refers to the loosening of the chains, suggesting that submission to capital will take more tolerable forms, allowing workers to live a little better, "providing them with clothes, furniture, etc., and forming a small reserve fund of money [296]," but the fact that some slaves were better fed and clothed doesn't change the nature of slavery. The fact that some individual workers live better doesn't change the exploitation of the wage laborer. And the last sentence I'm going to include is:

[296] Ibid., p. 521.

> The fact that labor becomes more expensive due to capital accumulation only means that the volume and weight of the golden chains that the wage laborer has already forged for himself can no longer keep him bound so tightly.[297]

And here it becomes ambiguous; it's unclear why this situation might occur under capitalism, and this has lent itself to arguments about the existence of a labor aristocracy, a segment of the working class "bought" by capital in the sense that it responds to the interests of capital as a political entity. And when we look at the evolution of wages, as we've already seen, it's true that from Marx's time until now (this is somewhat complicated; until a few years ago it seemed clearer) there has been an increase *not* in the value of labor power, but in real wages. But this increase, as we 've observed, is linked to the development of the productive attributes that capital demands from the worker, not to an ambiguous "Well, let them earn a little more," where capitalists relinquish a portion of their surplus value so that workers feel bound by less stringent chains. So, this argument arises, which, from my point of view, is very ambiguously presented. Furthermore, in relation to a real movement that follows wages, which are largely subsequent to the time when Marx is writing this, but which would empty of content, as a need of capital that springs from the materiality of the labor process, the changes in the conditions of sale of labor power.

Ivan: That passage is strange, isn't it? It's as if he seems to be seeing an improvement in the living conditions of the workers, but he associates it with a sale of labor power above its value.

JIC: Yes. It doesn't state that the value has increased, but it also doesn't connect it to what I was saying, to the historical and moral element, which, moreover, is no longer relevant, because now the worker, the working class, is defined by its individual consumption as an attribute of capital, so it's no longer relevant either. So, why, as an attribute of capital, would capital loosen its chains, if that would mutilate its capacity for accumulation in exchange for nothing? Because, after all, labor power could be reproduced with the required productive attributes without paying that extra. It would seem like an attack of kindness on the part of the capitalists, of generosity, that they are moved by the workers, or this expression of the bought labor aristocracy, who are paid more because that way they are allies of the capitalist class; the working class are traitors. For me, that explanation is not consistent. Workers sell their labor power for its value under normal conditions, and circumstantially, in what we have so far, it may be that they are selling it above its value, but the very regulation of the capitalist mode of production will lead to the sale of labor power for its value.

Javiera: Yes, but what happens in those circumstantial moments when labor is sold above its value? In my translation, at least, I have "it increases the price of labor." But what happens to the working class when, circumstantially, labor is sold above its value?

JIC: It's this that appears there: she would be better dressed, better fed, with the capacity to build a savings fund. And, in reality, that's a description of the

[297] Ibid., pp. 521-22.

transformations in the determinations of the value of labor power. Today, building a retirement fund is part of what is considered the value of labor power. It's not the capitalists' benevolence, that's what the ideologues of capital say, but those of us who have a critical view of the capitalist mode of production… No.

Xatan: Regarding what you're discussing, if I remember correctly, in *Wages, Price and Profit,* Marx argued that if the value of labor power increased, it was largely due to the social struggles that occurred throughout history. In other words, the current situation we're seeing in capitalist society is not the same as the previous one, and this isn't due to any kindness on the part of the capitalists, but rather to the struggles of the working class itself. [...]

JIC: Yes. I was referring to *Wages, Price, and Profit* in another sense: this will be sold for its value; not the movement of value. Anyway, two things: one is that it's presented there as if the cause—not the form—of the wage increase is the action of the working class. What I remember is that it argues there that the working class will never be able to stop fighting for the value of its labor power; faced with the image presented that any wage increase will be lost, which implies that the only option is to fight for the overcoming of the capitalist mode of production, which Marx will elaborate on, the conclusion is that the working class will not be able to sell labor power above its value, but for that reason, it can never stop fighting for the concrete conditions of selling labor power. Now: this is one aspect. But the other aspect is this.

The "subsistence wage," as we saw in the chapter on simple reproduction, is not simply the bare minimum for survival. What determines the value of labor power is what the worker needs to consume to possess the productive attributes that capital demands of their labor. Furthermore, "what is needed to subsist" is itself an ambiguous definition. For me, the example of this ambiguity is exemplified by the case Marx points out of an individual who makes a concoction that has nutritional properties and is much cheaper than the still meager food consumed by English workers in the first half of the 19th century. So, in reality, it is possible to produce labor power even more cheaply, but there are points at which the term "subsistence" is not simply an abstract physical survival. It is linked to the length of the working day, and for me, essentially linked to the intensity of labor and the qualitative attributes necessary to perform the work.

When the development of machinery creates the need for education for future workers, it's no longer just about subsistence. There comes a point when future workers need to consume use values to have a future workforce with productive attributes that cannot be produced otherwise. And when we look at the historical development of what has happened with the transformation of the materiality of labor, what we see is that what once appeared as a condition—if we were to define subsistence today, it's having a television, because an individual without a television is so isolated from the flow of social life that they cannot connect with others—then we have to consider what happens to the population that cannot even sell their labor power. But let's consider this in terms of before the possibility arose that there is a segment of the working population that cannot even sell their labor power at any price, or consistently below its value. But today, having a cell

phone is practically a condition of subsistence; it's access to social existence. If one lacks the tool and the knowledge to use it… Today, initiating a retirement process requires at least a cell phone: that's the requirement… For me, the term "subsistence" is absolutely ambiguous. It appeared closely linked to the development of classical economics, where workers' consumption was limited to very basic food and clothing, with no educational opportunities… the only thing they had was, on Sunday, the religious holiday. But I'm also going to raise another problem with the term "subsistence," the reverse, as a determinant of the value of labor power.

If the wage is at subsistence level, then an individual who barely eats enough to stay alive is being paid for their labor power at its value. This comes up and is a matter of political discussion; we saw it when we first talked about the determinants of the value of labor power, I think. It's the Marxist argument that labor power is a "peculiar commodity" whose value is not determined by the cost of subsistence, but by supply and demand. And in that case, the worker who eats from the garbage would be a worker who is selling their labor power at its value because they are subsisting, they are still alive. And so, the term "subsistence" has become a weapon against the working class, an ideological inversion: "Don't complain about the wage because that's the value of labor power. Are you just subsisting? Then you have nothing else to complain about." Hence my reasoning for criticizing the term "subsistence wage" and I believe that politically one has to... that this relates to what we were talking about at the very beginning, what we proposed to do in the workshop and the question of method.

If one engages with Marx's text and its presentation of all the concrete forms, critical reading involves subjecting each of these questions to critique. And to subject to critique is to ask oneself what compels one to answer what is presented here. One must reproduce for oneself the immediate concrete situations before one, and ask oneself whether, when confronted with that concrete situation, what is in the text reproduces the concrete situation one is looking at, or not. And if it does not reproduce it, one must ask oneself why it is not reproducing it. Therefore, appropriating the development is neither about being convinced of what the author says, nor about reading what the author says, but rather about reproducing for oneself what the author presents, and asking oneself whether, in the real concrete situation before one, one recognizes what the author presents or not.

Xatan: […] I was saying it from this perspective that if there is a degree of social struggle, that degree is reflected in the value of labor power. That's basically what I mean; it's what was being explained in *Wages, Price and Profit*. So, I understand that's where the idea comes from that this minimum can be altered, although in *Wages, Price and Profit*, he explains that the physical limit… What we talked about before: it's obviously a physical and *social limit.* If so-and-so decides to eat from the garbage, he wasn't talking about the social level. I understand that he was talking about a social level, a physical and social limit that is elastic. For example, cell phones, which are basically already part of that value because whoever doesn't have a cell phone isn't considered solvent in the social era we live in. So, from that perspective, I can understand the meaning Marx gives to this increase in the value of labor power, which, again, is obviously not the end of the class struggle, nor is it

a solution or anything like that. Those are other connotations that are not implicit in Marx or in what I am saying, I think it is important to make that clear.

JIC: Anyway, there 's this aspect: if I explain the level of wages through class struggle, the problem I now have is that I have to explain why that level of class struggle exists. And the problem that arises is that one can explain it through consciousness, abstractly, or is that actually the form that transformations in the materiality of labor take, how these transformations in the materiality of labor take shape as a necessity for capital to transform labor power, which is carried out through the political action of the working class? These levels of struggle don't explain themselves; rather, they are explained by what is happening with the materiality of labor, what transformation capital needs with respect to the productive attributes of the workers. And since there is a contradictory need between the total capital of society and individual capital, these transformations in productive attributes can only take shape through the political and trade union action of the working class. That's why... I don't remember the paragraph, but I'm taking it as you quoted it: I'm questioning that observation, that it depends on the struggle of the working class; therefore, it's necessary to explain what the level of struggle of the working class depends on. But that's all, I don't know if you want to add anything else.

Xatan: Yes, the workers' struggle might be implicit. What he explicitly says is: "the determination of the value of labor enters into the traditional level in each country; it's not just about physical subsistence but about the satisfaction of certain needs that arise from the social conditions in which people live and are educated." Then he talks about the English, Irish, etc., standard of living, and I think he also mentioned somewhere that this is clearly reflected historically, I don't know if in the current conflict specifically, but I think it's implicit even if he doesn't present it as a cause or the ultimate determining factor in this sense. But he does talk about there being a physical level and a social level. I understand that when we talk about the "social level," he's referring to the possibility of an increase. Here, as he explicitly states, the "English standard of living" can rise or fall; it's altered throughout history by the conditions of the worker, the conditions of capital, etc., by the relationship between the two.

JIC: That's why I bring this up again: we need to explain what that condition, that social difference, depends on.

Xatan: Yes, I understand that what you're trying to say is that this condition of social life is reflected in how commodities have different value arrangements, how capital also alters these relationships with the subject of labor, etc. I think what you're trying to say is that the ultimate determining factor in this sense would be the working class's relationship with capital itself: since commodities have *a certain* value, if this value increases or decreases, then it will also be reflected in the minimum levels of labor power.

JIC: Yes, because the worker consumes the commodities that capital determines are necessary to reproduce that labor power, always under the mediation of the condition of being a free individual, but that “on average”, they consume what

capital needs them to consume. And the reason for changes in the level of consumption must be sought in changes in the productive attributes of the objects.

Xatan: By “attributes” we are talking about the degree of development of the productive forces, right? If greater specialization is required, then we need a more elaborate educational process, and this is also reflected in the value of the workforce, isn't it?

JIC: Exactly.

[…]

[III]

[...] What were we observing? It was a process of capital accumulation that excludes changes in the technical composition of capital; therefore, it is simply an extensive process. The proportions between variable and constant capital will always remain the same; the rate at which each of these two forms of capital grows is immediately the same rate at which total capital grows. And what could appear as a limit to the development of this form of accumulation was that capital might grow faster than the working population, so much so that the supply of labor power would begin to fall short of capital's demand, and that this would drive wages above the value of labor power. But even this possibility carried its own limit in the reproduction of the capitalist mode of production, because as soon as wages rose above the value of labor power, accumulation would begin to be stifled, the demand for labor power would grow ever more slowly, and the unity of the system would be re-established.

And so, what emerges is the reproduction of the capitalist mode of production, where, however much wages might seem to hold the potential for an increase, for an improvement in the conditions for the reproduction of labor power, what actually appears in that same mechanism is the limit to that potential and the reproduction of the mode of production itself. It is not the increase in the working-class population that leads to the "imbalance" between the needs of capital and the supply of labor power, but rather the independent variable, so to speak, is what needs capital has. Therefore, it is this absolute variation in the movement of capital accumulation that appears inverted as relative variations in the mass of labor power available to capital. And this inversion is what will be ideologically represented as situations of excessive and insufficient growth of the working-class population. And so, what underlies what is presented as a natural law of population is the relationship between capital, the movement of accumulation, and the wage rate. It is the relationship between the unpaid labor of workers converted into capital and the labor required to provide additional labor power for capital accumulation. And therefore, it is the magnitude of capital, the magnitude of the working population, and the ratio between the unpaid labor of the working population and the paid labor of the working population.

And the synthesis he will make is that this inverted relationship with what is necessary for the reproduction of the human life process—the availability of labor necessary for the reproduction of labor power and unpaid labor—reflects, in reverse, the fact that the condition for the reproduction of society's life depends on the movement... of the product of labor that the working population does not receive. This reflects the inversion in which the worker exists for the valorization of value that has already been created. Therefore, human life exists to serve material wealth that has already been created, instead of material wealth already created satisfying the needs of the working population.

And then what will emerge is: without this change in the technical composition of capital, where can the development of accumulation lead? What will be confronted is that even if more favorable conditions for the reproduction of the working population were to appear, the fundamental character of capitalist

production would not change at all. And then, he will cite what was said at the end of the chapter on simple reproduction, which is not simply a process of commodity production or capital production, but rather a process of production and reproduction of the capitalist mode of production, which reproduces capitalists on one side and wage laborers on the other. If that is what had already been said about simple reproduction, then reproduction on an expanded scale reproduces the capitalist mode of production on an expanded scale, with more capitalists and more powerful people at one pole, and more wage laborers at the other.

And the reference reappears to what we've been seeing regarding the appearances of the capitalist mode of production, the worker's condition as a free individual and their bond to capital under the fiction of exchange, the transfer of the worker's labor power from one capitalist to another. And what will emerge then is this: if what is at stake here is the increase in the labor power that is put into operation, the ever-growing total capital, and in the same proportion its need for labor power, and the condition for capital accumulation is the growth of the working class, the increase of the proletariat, then it will become clear that the very mechanism of the accumulation process causes the mass of wage laborers to increase, whose labor power becomes the power of capital, at the service of capital accumulation. And that at the same time as the worker works, what they are doing is reproducing their subsumption in the very product of their labor; the product of their labor is capital, and this is personified by the capitalist. Thus, what is reproduced is this subjugation, which appears as "subordination" [298]in the FCE translation, of the worker as an attribute of capital. The very mechanism of accumulation reproduces the condition of the working class, on an ever-increasing scale, its subsumption as an attribute of capital.

I don't remember if we had actually seen it [...], but anyway, I was planning to start with this. [...] If we look up to this point, at reproduction on an expanded scale, at the same technical composition of capital, what appears is the indefinite reproduction of the capitalist mode of production. Nothing in this movement contains a contradiction within the capitalist mode of production itself that would lead it to the need to overcome itself: it can multiply indefinitely. What will appear now is what happens to this movement when capital expresses its full potential for accumulation: it is not only extensive through the multiplication of the mass of absolute surplus value, but it is the permanent regeneration of relative surplus value. [...] When we get there, we will return to things that we looked at more closely than Marx did when we started, and we will raise them again here, because the question of a relationship that we will examine to see if it is valid or not immediately appears in the text.

[298]Marx, K. (1977: 519), *Capital,* Volume 1. Mexico City: FCE.

2. Relative decrease in the variable part of capital as accumulation progresses and, with it, concentration.

The title itself foreshadows the outcome: what we're going to find is a change in the technical composition. We've already seen what the technical composition is, and the issue will reappear, relating it to, or expressing as an expression of, what happens to labor productivity. So, the greater the mass of means of production that the worker puts into operation and transforms into the product of their labor, the greater the productivity of their labor. Because, as the text states, this increase in the means of production comes from two sources. First, the increase in labor productivity is a cause of the more than proportional increase in the means of production. Basically, this is what happens with raw materials. Because the greater the productivity of labor, in the same amount of time, a larger mass of raw materials will be processed. And the second situation is the reverse: it is a cause of the increase in labor productivity. Because the incorporation of machinery is key to sustaining this greater labor productivity. We've already seen that, with the incorporation of machinery, constant capital not only grows faster, but it grows at the expense of variable capital.

And so, what we're going to have is what we've already seen: that in the technical composition, the mass of dead labor put into operation will be related to the mass of *paid living labor* put into operation. Marx will present it as if there were no difference. In this sense, he says: the mass of means of production compared to the mass of labor power that sets it in motion is reflected, in turn, in the composition of value, in the increase of constant capital at the expense of variable capital. And what we've already seen is that when one considers only paid living labor, it will have an effect on the indicator. But I'm going to add, before returning to what we saw in December, one more point that Marx raises here.

Marx will argue that this decrease in variable capital relative to constant capital, the changes in the composition of capital, are a rough indicator of the changes occurring in the material composition of capital. And he will posit as the cause… He will say: in reality, the change in the technical, material composition is greater than what is reflected in the change in the composition of value. And he will explain this by saying that the value of the means of production, with the increase in labor productivity, decreases. And since the means of production are becoming cheaper, the technical composition actually grows much more than the composition of value. Do you understand why? Because now there is a material mass of means of production to which—let's put it very crudely—the same mass of value corresponds as before, only labor productivity has doubled, the production of means of production has doubled, and the total mass of value of the means of production remains the same, because each one is worth half of what it was worth before. And so, I don't have a change in the composition of value, but I do have a change in the material composition: I have twice the means of production with respect to the amount of living labor that was in operation.

Did you understand what Marx is saying? And up to this point, he seems to be right. But my objection to this assertion is this: the mass of living labor doesn't play a role in the composition of value; what matters is the value of labor power. And

above all, just as the value of the elements of constant capital decreases with the increase in labor productivity, the value of the workers' means of subsistence also decreases with the increase in labor productivity. And there's nothing to suggest that the productivity of the labor that produces the means of production should increase more than the productivity of the labor that produces the workers' means of subsistence. [...] And if we're comparing the mass of value embodied in the means of production with the mass of value embodied in the means of subsistence, both masses, up to this point, have no reason not to decrease in the same proportion. And so, in my view, it's not a correct observation; it underestimates the change in the technical composition as reflected in the composition of value. I even added the other element that I had mentioned to you before we made the cut.

When measuring the technical composition, one must compare what Marx calls the "objective condition" and the "subjective condition": the mass of means of production versus the mass of living labor. But when one takes variable capital as an indicator of the mass of living labor, the problem with variable capital is that it doesn't cover all living labor; it only covers a portion, which, with the production of relative surplus value, becomes increasingly smaller. Therefore, I have a factor of reduction in variable capital that is not a factor of reduction in the quantity of living labor. Consequently, the composition of value, instead of showing a diminished movement in the technical composition, in my view, reflects a multiplied movement in the technical composition. Because if the quantity of living labor remained the same, but the value of labor power was falling, the quantity of living labor was becoming cheaper in the same way that the means of production were becoming cheaper, on the one hand. But since it didn't simply remain constant because the portion of the value product of the working day appropriated by the workers was decreasing, the effect would be the opposite. The composition of value is overestimating the change in the technical composition. This is open to discussion.

Fernando: Juan, I have a question. When you want to look at the technical composition, what unit of measurement do you use if not the unit of value in relation to the means of production? Especially with machinery. Because with raw materials, you can say: well, I measure it in some unit of measurement, the quantity of raw materials; with living labor, you can say in the number of hours of living labor, but with the means of production, what unit of measurement do you use if not the unit of value?

JIC: It's immeasurable. Technical proficiency is a quantitative relationship between two qualitatively distinct elements. You can observe how technical proficiency increases, but you can't measure how much... I made this comparison last time: if you look at yourself and say how much you knew when you were five years old, and how much you know now, you say, "More." How much more? It's a quantitative relationship that, because it involves, in this case, knowledge, which is qualitatively different, has no endpoint, no "how much." Therefore, it can only be measured indirectly.

And there's another observation: I can't measure how much living labor is applied in the technical composition. Because the labor that is applied is concrete

labor, and what I can simply look at… Later, one can make rough measurements, but precise measurements… It's private labor, so I see a production process and I don't know if it's socially necessary labor or not. When I measure it in the value composition, I know that socially necessary labor was involved, but I don't know how much time it represents. Because the only way socially necessary labor can express itself is through value. I can't measure the socially necessary labor of a society. This appears in Cockshott's fantasies of calculating the total labor that society does: so it's not private labor; there's an immediate unity between production and social consumption. Then what they'll say is: well, but if there's a surplus of a commodity, then instead of putting a label on it that says "10 hours of labor," they'll put a label on it that says "9 hours of labor."

There are no measurements. One can take approximate measurements, but what one cannot say is: *this* is the amount of labor that is materialized in the social product that is recognized as socially necessary. One can make rough measurements. So, there is no way to compare, to relate dead labor to living labor except through the value relation. By framing it through the value relation, this problem arises. And if I want to relate it to total living labor, the problem I have is that I would have to compare it with the total mass of value. And, again: I have data on the quantity of paid labor power—which is the value of labor power—but I don't have data on... I would have to take the total value produced. And there again I am faced with the fact that this total value produced, in fact, leaves out part of social labor, so I cannot relate it to all social labor. So, this is the only way to make the measurement. With one further clarification: this is a relationship of productive labor, of labor that produces surplus value. But then I have work in circulation, which also uses means that serve for circulation, but it's not work that produces surplus value. So, the concrete measurements afterward are much weaker than the simpler determination we're looking at. I don't know if I answered the question or if I went off on a tangent.

Fernando: No, no, it's perfect. I mean, the way I look at the technical composition is solely through the value composition, which has these issues we've been discussing. Marx sees an underestimation due to the cheapening of the means of production, and one could say: well, if labor power becomes cheap enough and in a greater proportion than the means of production, then it would already be overestimated. And you establish this determination that, because variable capital is only paid living labor, the value composition is already overestimated in relation to the technical composition.

JIC: The evolution of the composition—the indicator is overestimated, to begin with. But relative movement is what matters; the problem is how that coefficient moves. In any case, Marx also clarifies that he will call the composition of value the "technical composition of capital" insofar as it reflects changes in the technical composition. If there are changes in the composition of value that do not stem from changes in the technical composition, that would not be reflected in the organic composition. Looking at which changes in the composition of value do not stem from changes in the technical composition… At some point, I don't remember where, I had been exploring possibilities. But these are changes that emerge.

I'm trying to remember one that isn't simply a change in prices… that price changes external to the movement… This is how it works: if I look at the unit of total capital in society, every change in the composition of value stems from some change somewhere in the technical composition. If the same machinery is still being used as before, but the value of that machinery has decreased because a new machine has been introduced that maintains the same labor productivity but has less value, then I have a change in the composition of value, and technically I have the same thing I had before. But if the cost has decreased in the branch that uses the machine, I don't have a change in the technical composition, even though I have a change in the composition of value. Do you understand? I'm still using the same machine as before, only now this machine is cheaper because the productivity of the labor that produces it has increased, and therefore its value has decreased; I have the depreciation of the machinery, but my technical composition remains the same as before. That wouldn't be a change in the organic composition. But if I look at the total capital of society, somewhere there was a technological change, which is why the machine became cheaper, and if there was a technological change, somewhere there was a change in the technical composition of capital. So, when I look at the total capital of society, it's difficult to locate a change in the composition of value, which also implies that commodities are being sold at their value. If I have a price change on a commodity, it's clear that this isn't a change in the composition of value; it's a fluctuation in the composition of value, but not a change. When I look at individual capital, I can find these examples. But when I look at the unity of the total capital of society, it's very difficult to find a change in the value of a commodity that doesn't somehow contain a change in the technical composition of capital.

Fernando: This is what I'm going to address more indirectly, because it's clear there's a change in the technical composition somewhere in the accumulation of capital. But in the case of an increase in the cost of labor, because that labor is required to generate greater productive attributes… The determination of that is clearly a technical change in some process that requires a more expensive labor force. But in the concrete temporal movement, it can mean an increase in the composition of value without a specific prior technical change, or one that is developing—I don't know how to put it—but with a mediation that isn't immediate.

JIC: It appears that the decrease in the value of labor power is affecting the composition of value and is not reflecting the change in the technical composition. Therefore, it shouldn't be a change in the organic composition. However, it does appear as a change in the organic composition because it implies less variable capital relative to constant capital. The opposite situation, which Marx mentions here, is that "no matter how much the worker is paid"... Later in this chapter, at the end, there will also be an observation that the iron chain becomes a gold chain, and the worker's situation doesn't change.

It's in the "General Law of Capitalist Accumulation" [Chapter XXIII]. It must have contained—I think what you were saying—a change in the technical composition somewhere, which necessitates a labor power whose value will be altered, but it may not increase. It may have a greater need for use values, but their value may

decrease: it's not immediately more value of labor power. The change in the working day also comes into play. The increase in the intensity of labor, which requires a shortening of the working day, also changes the proportion of living labor to dead labor, because the quantity of living labor decreases. But it may happen that this increase in intensity, from the worker's point of view, is compensated not by a decrease in the value of their labor power, but in this case by an increase in that value, a less proportional decrease, but the relationship between constant capital and variable capital will not reflect the changes in the technical composition. There are a series of factors involved in this movement. I don't know if you want to add anything else about this.

Let's move on. And here Marx points to another issue, which is the separation between the capital *employed* and the capital *consumed* in each production cycle. The technical composition refers to the capital employed, which here is synonymous with "capital advanced" by the capitalist (differentiations will appear in Volume 2). It is the full value of the machinery. What happens with the development of the production of relative surplus value based on machinery? [...] The organic composition of capital is that of the capital employed. This organic composition will be reflected in the movement of the composition of the capital consumed. The portion of constant capital will advance at the expense of variable capital. What did we have? The capitalist limit to the incorporation of machinery is that the value of the constant capital added to the value of the product must be less than the variable capital saved by the incorporation of the machinery. Therefore, a portion that was variable capital will have disappeared, and its place will be taken by constant capital. So, there is a relative decrease in variable capital, but that doesn't necessarily imply an absolute decrease in the magnitude of variable capital. The relative weight of variable capital in consumed capital may be decreasing, but the total mass of variable capital may be increasing.

So, what will emerge here are precisely two things we were discussing earlier, which distort the expression: given the length of the working day and the intensity of labor, what will happen to the absolute movement of variable capital? And what one must keep in mind is that what appears here are quantitative relationships between movements of portions of social capital, because it is the mass of living labor that requires... what will happen to the working population, that is. So, in this movement, what determines how variable capital grows? The relationship that emerges is between the rate at which total capital grows and the rate at which the technical composition grows. Do you understand why? If the technical composition doesn't change, the rate at which total variable capital grows is the same as the rate at which total capital grows. But if the technical composition grows, then, of total capital, an increasingly larger portion will be constant capital instead of variable capital. Consequently, variable capital will not grow at the same rate as total capital, but rather more slowly, in direct proportion to the growth of the technical composition of capital. In other words, the growth of the technical composition of capital reduces the growth rate of variable capital.

So what emerges here? What emerges is that the rate of growth of the technical composition depends on the absolute magnitude of total capital. What we saw

earlier is that labor productivity increases through cooperation, the division of labor, the economization of means of production, the technological application of science… The social character of labor develops. And the more this develops, the more the technical composition of capital grows. Thus, capital accumulation itself entails the growth of the technical composition. The development of the bases for the production of relative surplus value all contribute to the increase of this technical composition. And therefore, the more capital accumulation grows, the more the technical composition grows, and the more the proportion of variable capital relatively decreases.

And here, Marx will refer to how all this development occurs. It occurs through the development of the capitalist mode of production. And therefore, as individual capitals are transformed into organs of social production, organs of collective production, which are owned by individual capitalists, the production of means of production and means of subsistence increasingly takes the form of the growth process of individual capitals. And only through development under the capitalist form, he says, can this development of large-scale production take place. And here he will observe that to initiate this process, a certain mass of capital must have been accumulated to allow this work to be set in motion on the basis of collective labor.

In contrast to the simple production of commodities, where there are independent private producers, private owners of their means of production, these individuals cannot, on their own, become agents of a production process that, within each unit of production, has the character of a social process, because they can only use their own labor power, not the labor power of others that they purchase. Therefore, what will be argued is that the starting point of this movement of capital must have involved a certain accumulation that is not the result of the movement of capital itself. And here, for the first time, this reference to primitive accumulation will appear, because once it has occurred, all forms of capital accumulation are products of capital. Capital itself is the product of labor; it is private ownership of the product of unpaid labor. And from there, it moves on its own, so to speak, reproducing itself on this basis.

What did we see at the beginning? How surplus value arises from capital. But when we started looking at the reproduction process, what we saw is how capital arises from surplus value. Well, from there, this is the movement of the capitalist mode of production itself. Before this movement, there already had to be capital that wasn't simply accumulated surplus value, that had another source. And what appears here now is the product of the movement of capital itself. It is the capitalist mode of production that engenders what will happen with the accumulation of capital. To summarize: with the accumulation of capital, the capitalist mode of production develops, and what the capitalist mode of production does is drive the accumulation of capital. Do you want to raise any points?

Javiera: I had a question written down here. I think this part is key because it points to a central element from which one can begin to develop a critique of all these arguments that arise from Harvey and onward, these authors more or less linked to the perspective of extractivism, etc., who invoke this concept of Marx's

primitive accumulation. Because there Marx points out what you were saying… Harvey and these authors constantly invoke it as a historical result, very different from the starting point that Marx proposes here, which is as a historical basis of capitalist production. And for me, that's what allows them to continually say that with each leap in the advance of the productive forces there is a new process of primitive accumulation, which is when the *boom* of the [? – 1:07:23] happens, which they highlight as if there is once again a process of primitive accumulation, as if it were constantly appearing completely abstracted from its historical origin.

JIC: Yes. I would say let's leave that for when we look at… Up to this point, Marx is essentially saying: well, this process must have occurred; original capital came from somewhere, but once it was set in motion, it became a product of itself. And he doesn't go beyond that. Let's see later, when we look at the chapter on primitive accumulation, to what extent that kind of… Because there we'll see, in the very movement of that primitive accumulation, whether one can again speak of primitive accumulation as a process that renews itself, or whether what appears is already a product of the reproduction of capital, a form of the reproduction of capital. So let's leave that for now.

I don't know if there's anything else you want to raise, because now comes a question that will lead to the forms that accumulation takes, which refers to how the accumulation of capital itself is what engenders, carries the development of the capitalist mode of production, and that development of the capitalist mode of production enhances the movement of accumulation of individual capitals.

So, the question that will arise is: what is individual capital? It is a certain concentration of the means of production, which, in turn, corresponds to a certain, more or less large, mass of workers. And all accumulation serves as a means for further accumulation. Consequently, every time this individual capital operates, it transforms itself into a greater concentration of capital, means of production, and labor power. And this concentration of capital is a condition for sustaining the very movement of capital based on the production of... For individual capitals, the question we had of extraordinary surplus value entails the production of relative surplus value. And so, what will emerge is: each individual capital, each time, through its own valorization, its valorized reproduction, transforms it into a larger concentration. This larger concentration is the condition for increasing the labor productivity of the workers of that individual capital and for developing the conditions of capitalist production. Applying science requires larger concentrations of capital, requires large-scale production, and so on.

So, what we see on the one hand is that in this process of capital concentration, individual capitals grow. And the total capital of society is an ever-increasing accumulation of individual capitals, each one larger than the last. This entails a process, within each individual capital, of the socialization of labor, a scientifically governed unit of social work. And so, here we are advancing in the conscious organization of a process of social labor within individual capitals, but the contradiction of this socialization of private labor emerges. But what Marx will point out next is that at the same time this is happening, the opposite movement is occurring: the indirect regulation of social production expands because it

fragments. New individual capitals appear that are no longer encompassed by the old capital; fragments of the original capitals separate and begin to act as independent capitals. And in this sense, there is an increase in the indirect regulation established through the production process and the exchange of commodities.

So, there's this contradictory movement. Just as there's a process of growth in individual capital where the production process is directly organized with a social character, there's also a multiplication of capital where that capacity to consciously govern the production processes is fragmented. Therefore, there's a growing concentration of the social means of production by each individual capitalist, which depends on the level of development of the mass of social production, because to increase the scale of production, a greater concentration is needed; and operating with a greater concentration involves a larger mass of product, so all social wealth must be multiplied; and at the same time, this fragmented process appears, which Marx will summarize by saying: here there is a movement of repulsion between many individual capitals. So, concentration simultaneously carries within it the opposing movement of the dispersion of capitals, the multiplication of individual capitals, and consequently, the fragmentation of the processes, of the social process of production. Is this clear?

Now, what will reappear is that, in contrast to this repulsion of individual capitals, a process of attraction will emerge, a development of the socialization of private labor that doesn't simply respond to the accumulation of surplus value generated by adding it to the body of capital already in operation—therefore, the possibility of putting into operation means of production and labor power associated with those increased means of production—but rather it is the concentration of already existing independent individual capitals, which cease to be independent of each other and constitute a single individual capital. They lose their individual autonomy; their autonomy accumulates in a single capital, and the expression of the "expropriation of some capitalists by others" will appear, the union of many small capitals to form a larger capital. And then, it is no longer just a difference in how social labor is allocated, no longer the possibility of total capital growing because an individual capital grows, but rather, suddenly, an individual capital appears, engendered through the union of individual capitals that already existed. And this, Marx says, is not a simple concentration, not a simple accumulation of capital: it is a process of centralization of capital. Individual capitals that were in several hands become a single individual capital.

Edgardo: [...] in the Siglo XXI edition, in footnotes they say that in the 1st and 2nd editions of capital Marx did not yet differentiate the term “concentration” from “centralization”; it is in the 3rd and 4th editions where he actually speaks of “decentralization”, as distinct from accumulation and concentration.

JIC: Indeed, everything is always presented as a "concentration" beforehand. The 3rd edition was published after Marx's death by Engels, based on a copy Marx had with his annotations and corrections to the 2nd edition—things he had worked on after the 2nd edition was published. So, thank you for reminding me.

Edgardo: But then, the terms would indeed be, at least for Marx, synonymous.

JIC: Accumulation and concentration appear as synonyms. The thing is, one can view concentration and centralization as two forms of accumulation. There, "accumulation" and "concentration" are used as if they were synonyms. Why do these differences appear? There is a difference between concentration and centralization with respect to what happens with the accumulation of individual capital and the total capital of society.

In concentration, individual capital grows, and simultaneously, the total capital of society grows because there is a mass of surplus value that has been transformed into new capital. This is individual capital that did not exist before, and it is also total capital that did not exist before. In the case of centralization, individual capital grows at the expense—more or less painfully—of individual capitalists, as it may be that several individual capitalists associate with each other, constituting a single individual capitalist. Marx will make some reference in Volume 3 to the fact that it can be an individual capitalist, it can be a society of capitalists, a collective capitalist, whose property is socialized. Within that individual capital, the property has a social character because it is comprised of several capitalists. Later, throughout the development, what appears is an individual capitalist, regardless of whether it is an individual or a collective of individuals. But in the case of centralization, the size of individual capital grows, but the total capital of society does not, because these were all capitals that already existed and that come together to form a single individual capital. So, from the perspective of society's total capital, there isn't accumulation. What that individual capital will have is a much greater capacity to accumulate all at once than it would have had if each individual had continued converting their surplus value separately; now, all together, they have a capacity to produce surplus value that is much greater than the sum of their individual capacities. Therefore, I would see accumulation in two forms: one is concentration, the other is centralization. But that's my own interpretation, I should clarify. Marx makes this distinction, but it doesn't appear as a distinction later on.

Javiera: What you said clarifies centralization for me. In fact, I realized I had a mistaken idea, because at one point I thought that centralization increased the social capital of society. But I'm still not clear on what concentration would be.

JIC: It's the transformation of surplus value into new capital. It's a body of capital that generated a new mass of surplus value. Now it takes that new mass of surplus value and makes it part of its own body. That's concentration in the simplest terms. One can then say: there is also concentration if capital *A* generated surplus value and capital *B* takes that surplus value in some way and incorporates it into its own body. In concentration, the total capital of society always grows because there was surplus value that didn't exist before, and now it has become new capital. In the other case, it was all capital that already existed, but which now acquires a power to generate new surplus value that none of them had in isolation, […] and now it will begin to generate multiplied surplus value and make it its own body, or it will continue centralizing, accumulating more and more power for production. […]

There are several points I want to emphasize regarding the development of Marx's ideas; but the first is the expression he uses when discussing centralization, which refers to the "expropriation of some capitalists by others." Only this phrase appears here, but it represents the abolition of the capitalist class within the capitalist mode of production itself. Someone who was a capitalist disappears as a capitalist at the hands of another capitalist, thus affirming the capitalist class while simultaneously liquidating itself. This observation is presented in this way, but for me, it has substantial relevance because it implies the abolition of the capitalist class by itself, acting as the personification of capital.

When one examines this process of centralization, it manifests itself in various ways in concrete terms. As I mentioned before, it can be more or less an equal partnership between individual capitals; it can be one that absorbs another; it can be one that surrenders to the other before being absorbed... All these forms appear, and even, in order to concentrate, the scale of the production process may require that one of the individual capitals be directly centralized in order to liquidate it, to eliminate its material form, so that it can be incorporated into a material body—a concentration of capital whose scale of production requires the disappearance of the other's production.

So, one can pause to examine all the concrete forms this process of capital centralization takes. Marx says he won't elaborate on the laws governing this centralization, but he will offer some insights into them. So, where does the possibility of some capitals advancing over others that produce the same commodities come from? It's a matter of competition, and competition requires cheaper commodities, and cheaper commodities require increased labor productivity, and increased labor productivity requires increased scale. Thus, the larger ones displace the smaller ones. And just as capitalist production develops, the minimum amount of capital that must be put into operation as individual capital also increases. Then, a reference emerges to the fact that capitals unable to remain competitive migrate to sectors where large-scale industry is not yet fully developed. And he says: this struggle always ends with the defeat of the smaller capitalists; they are swallowed up by larger capital, defeated in the competition.

And a determination will emerge that has been absent from this entire development, and will continue to be absent, stating that credit is the most powerful weapon that develops in competition, and it is the most powerful mechanism for the centralization of capital. Therefore, the very repulsion of capital, the emergence of new capital, and the fragmentation of independent capital are what multiply the power of capital centralization. Competition intensifies, and credit is added to this, and these are the two most powerful levers for the centralization of capital.

He's going to continue with these determinations of centralization, of the forms it takes, arguing that, just as the concentration of individual capital increases with the development of accumulation, the mass of individual capital increases, and the need for increased scale of individual production increases, multiplying the need for and the basis of capital centralization. And now the question arises: what

happens to the magnitude of society's total capital with respect to centralization? Centralization differs from concentration; this is where he talks about "reproduction on an expanded scale." And this idea emerges that centralization can take place by changing ownership of existing capital without affecting society's total capital. Is there anything about this? Because he's going to return to this issue and to the expropriation of some capitalists by others. But aside from the fact that I'm already half-dead, I'd suggest we revisit this, and next time I'll propose we look at something that goes beyond what Marx develops here. If you agree, we'll look at it; if you don't agree, we'll continue with this. But I would like to be able to start with what comes next.

[The centralization of capital and the political organization of the working class]

Is there anything from last time you'd like us to revisit and discuss? We were roughly halfway through the development of the centralization of capital. We had the contrast with concentration. Concentration is the accumulation of surplus value; it increases individual capital and increases the total capital of society. Centralization is the formation of a single capital from independent sources, resulting in a capital of multiplied magnitude in one fell swoop, and the magnitude of the total capital of society remains unchanged because it was all existing capital. The other point we made was that this process appears as a process of the capitalist class's self-destruction: some capitalists devour others, resulting in an abolition of private property that is simultaneously a reaffirmation of private property. If we're on the same page, then I'll come back to it.

What we had were the vehicles that allowed for the acceleration of capital centralization, the role of competition, particularly the role of credit, which up to this point has simply been a point of reference. What follows from what we have seen is this: accumulation itself multiplies the capital available for centralization, multiplies individual capitals and the space for centralization; and, at the same time, creates conditions that make centralization necessary, because the size of solvent social need expands, means of production are developed that can only be put into operation on a large scale, which requires a multiplication of the masses of centralized capital.

There's something I wanted to mention earlier, which is the contrast between concentration and centralization. [...] When we started looking at the capitalist mode of production, it appeared up to this point that there was only one way to appropriate something for free, in this case, the product of others' labor, which was the exploitation of workers by capital. But here a new form of appropriation for free appears, in this case, not of the product of others' labor, but of other people's capital, of some capitalists by others. And Marx will summarize this by saying that if capital increases to gigantic proportions in one hand, it is because many hands are deprived of their capital. So, what emerges is a first step in the abolition of the capitalist class, but practiced by the capitalist class itself. We had discussed how the forms of capital centralization can range from associations, forming a capitalist society, a collective capitalist, to the immediate dispossession, without any compensation, of one capitalist's capital, of some capitalists by others. As Marx continues to advance, what he will raise is what the limits of the centralization of capital are.

Here, what Marx proposes is that, considering the fragmentation of capital into different branches, there is only one individual capital in each branch, and the absolute limit of capital centralization is the total capital of society becoming a single capital; all social capital then becomes the property of a single individual capitalist or a collective capitalist society. If we consider absolute centralization where only one individual capital remains, what we will have is that individual capital is immediately the same as the total capital of society, which (Marx doesn't phrase it in these terms, but I'll include it) implies that the administrative

management of that individual capital is immediately the same as the political management of the total capital of society. And so, what I wanted to propose, which goes beyond Marx's analysis, is to ask about a development of the process of capital centralization that includes the abolition of this single capitalist who remained with the absolute centralization of capital.

Because capital that is absolutely centralized is a single unit of production, in that process no means of production takes the form of a commodity because everything moves within this capital. The surplus value that the capitalist will spend on their individual consumption is also the direct owner of those use values, so they wouldn't need to take the form of a commodity either. The commodity that would remain would be labor power. And we must always remember that capital, in its general, generic movement, needs the labor power of free individuals. And so we would have an immediate, direct unity in the production process, but the unity between social production and consumption would still be absent. It would still be a production that is set in motion not with the immediate aim of producing use values for human life, but with the immediate aim of multiplying capital.

The question that opens up this potential or possibility is whether the full expression of this absolute centralization of capital, which appears as a process of centralizing the ownership of capital, could not take shape through a socialization of ownership of this single individual capital. And the presence, as we saw earlier, of this figure of the collective capitalist. And the question I want to pose beyond this is whether this collective capitalist could not simultaneously be the working class, where capital remains the general social relation, where the immediate objective of social production is the multiplication of capital, and at the same time, this capital has been absolutely centralized as directly social property. If it is centralized as directly social property, there can no longer be any difference, any separation between capitalists and workers. The absolute centralization of capital implies the abolition of the capitalist as a capitalist; therefore, ownership of this capital as directly social property, and directly social in this movement, implies only the existence of the working class. So, I'll cut this short and ask if you want us to move away from the development that Marx is making and stop to look at what determinations this movement would bring and if there are historical experiences in this sense, what historical forms it can take, or if we continue with the point that Marx reaches which is a collective capitalist but one that is separate from the working class.

[They think it's fine]

So, I'm trying to put it this way. It's the process of capital centralization in its fullest expression. We've already seen how capital strips capitalists of the function of personifying capital, how that role is transferred to the collective worker. And now that we're talking about the centralization of capital, this collective worker becomes immediate: it's the working class. The figure of the capitalist loses its historical right to exist. And this centralization of capital as directly social property, which implies ownership by the working class, would be the most powerful form of the capital accumulation process. It's obvious that this centralization of capital as the property of the working class implies the abolition of the capitalist class: it

can only take the form of a social revolution in which, up to this point, we have capitalists and workers (there's the landowning class, which will appear later), but the socialization, the directly social ownership of any means of production, implies the abolition of the capitalist class. Therefore, what one has as the personifying subject of this process of absolute centralization of capital is the working class as a political subject.

I told you before that with this absolute centralization, the political management of society's total capital is the same as the management of individual capital. Competition between capitals is no longer the way in which the movement of capital is governed; now, the movement of capital is governed by the centralized movement of that single capital. But it is still capital, and therefore it confronts the workers, who are no longer just the producers of capital, but its owners, as an objectified social power that dominates them and to which they remain alienated. It is not the overcoming of the capitalist mode of production; it is taking the movement of the capitalist mode of production to the extreme of the socialization of private labor. This would be absolute socialization, but labor remains private; there is no immediate unity between production and social consumption. Since this is a social relationship that remains alienated, ownership of capital and its management are perceived by workers as an external power that dominates them. Therefore, the legal form of ownership of this absolutely centralized capital is state ownership; the political representative of social capital embodies the legal figure of ownership. Who manages the state? Since political management is the same as the administration of individual capital, it is the political organization, the political party of the working class, that is responsible for managing this absolutely centralized capital. This is a very rough summary of what this absolute centralization of capital as the property of the working class would entail.

When we examined the chapter on accumulation without the production of relative surplus value, we discussed the question of the political action of the working class, and whether developing capital accumulation without changing the technical composition of capital would lead to an increase in the demand for labor power that could even exceed the increase in the working population and bring about a rise in wages above the value of labor power. What we observed is that such accumulation under these conditions leads to the re-establishment of the movement of capital, pushing wages, at best, to the level of the value of labor power. Therefore, the question arises here, as an equivalent to this, whether the political action of the working class to centralize capital as directly social property under the legal form of state ownership is a form of political action in which the working class represents a path to overcoming the capitalist mode of production.

It is not the overcoming of the capitalist mode of production: the general social relation remains capital. Alienation takes this form I just mentioned: one is confronted with the product of one's own labor, made with one's own means of production, as a member of the working class, which is simultaneously confronted as a social force that cannot be controlled. The question then arises as to whether or not progress in this direction is a step toward overcoming the capitalist mode of production through the action of the working class. In this general statement, I

believe I haven't forgotten anything I wanted to raise, but I don't know if you would like to raise any points.

Javiera: Juan, it's not very clear to me. I can't quite imagine what it would be like if the working-class party were in charge of absolute centralization. What would that imply? I mean, if the general social relations remain the same. I don't know if you could elaborate on that a bit.

JIC: It would be taking to its limit—but not overcoming it—the contradiction inherent in the socialization of private labor. The purity of social labor performed privately is private ownership of one's own means of production. That is the absolute form of social labor in the form of private labor. The capitalist mode of production, based on what we have seen so far, is the development of the socialization of that private labor. The socialization of private labor leads to the centralization of capital; its ultimate abstract limit is the *absolute centralization* of capital.

When we look at the capitalist, Marx refers to his historical right to exist: he is the private organizer of social labor, performed privately and independently. When we look at the development of relative surplus value in large-scale industry, we see that the capitalist loses these functions. He becomes a pure social parasite. Now, with the full development of the productive forces capable of entering the capitalist mode of production, the social parasite consumes surplus value, hinders progress, and overcoming this parasite means the absolute centralization of capital as directly social property. When we say it is directly social property, there is no longer any individual private property with respect to that capital; this implies the abolition of the capitalist class, because the only members of society left are the members of the working class. Now, what is the concrete form of this abolition? This abolition implies the disappearance of individual private property, the annihilation of this social parasite along with the landowner, who is *always* a social parasite. This takes the form of a social revolution, but it doesn't overcome the capitalist mode of production; rather, it brings it to the fullest extent of its potential, which is this absolute centralization of capital as directly social property. Is that all?

So, managing individual capital is the same as managing social capital. When we looked at social capital and individual capital, we said: the state is the political representative of the total capital of society. Who is in charge of managing the state? The only thing left is the working class. The political management of social capital, which is the same as administrative management since it is absolutely centralized, is the responsibility of the political organization of the working class. This is what we have so far. What forms does this political organization take, and so on? I'm not going beyond that, but this political organization is the political party of the working class, and the abolition of the capitalist class and the landowning class takes shape in the class struggle, and the organization of working-class action in the class struggle takes shape in the political organization of the working class.

Javiera: I have a question related to the previous point, but I think it's also connected to this. Does centralization hold the power of a production process where science takes a more refined form?

JIC: It depends on what you call "a more finished form," but the entire organization of production, now directly as a social production process, is necessarily governed by science.

Javiera: And the consciousness of the working class, that is, of the working class party?

JIC: It remains an alienated consciousness. As long as there is capital… Let me put it the other way around: the working class is an attribute of capital. Therefore, if there is a working class, it is because there is capital. And the correct order is: because there is capital, there is a working class, and that working class sets social labor in motion as an immediate unit, not aiming at the production of use values for human life, but at multiplying the capacity to set that social labor in motion.

Ivan: And Juan, how do you understand the class struggle when it's the working class that directs the accumulation process? It's no longer a struggle between the working class and the capitalist class.

JIC: No, what we already had there was that, even without the absolute centralization of capital, when the capitalist ceases to fulfill the role of personifying capital and that role is taken over by sellers of labor power, the antagonistic relationship between buyer and seller of labor power is embedded within the working class. It's a contradiction that now, what was characteristic of the class struggle—that the buyer is at one pole and the seller at the other—is now also present at the sellers' pole with buyers.

Javiera: But that was a relationship that already existed, it was already where it was...

JIC: Here one could say that development reaches its peak. Because there are some who embody capital throughout the entire production structure, and there are others who don't, or who… I'm going to put it in these terms, which aren't entirely accurate, but they are "less powerful" embodiments of capital, because they are lower on the ladder; their capacity to embody capital is more limited to those who manage the total capital of society. And therein lies the antagonistic relationship. It's not that the antagonism has disappeared, but now it's internalized within this working class that lacks a capitalist class.

Javiera: But then, isn't it possible to move forward here on what we've been postponing all this time regarding who embodies scientific work?

JIC: Well, let's not postpone it any longer, I think, what we already established... That it is the working class that is responsible for scientific work as an attribute of capital. I already took that for granted... But if you want, we can go back to that, no problem.

Xatan: What do you mean, class struggle without a capitalist class? Can you elaborate on that? I think you said that, but I'm not sure if I'm missing something; I didn't quite understand how you arrived at that conclusion.

JIC: When you look at it, there's no class struggle, there's a struggle within the working class, antagonistic relationships. There's a relationship of solidarity, which is what we saw as a form of competition, and at the same time there's competition among workers for who sells their labor power, and there's an antagonistic relationship between buyer and seller of labor power. There's no longer a capitalist or landowning class; strictly speaking, there's no class struggle, but what exists is an antagonistic relationship within the working class. And one of the things that didn't disappear in this movement is the exercise of coercion, which was incorporated into the collective body of the worker.

Xatan: I still don't understand why this capitalist class is suddenly excluded; I mean, I understand the argument that capitalist interests are embodied within the working class, insofar as they carry out the functions of capital accumulation, since they are part of the management of the company or the production of private means. But in this sense, it still exists; it's not something abstract. I don't understand why someone would suddenly say that this class struggle with respect to the capitalist class doesn't exist, when these interests are concretely embodying that capitalist class; it's not outside of that context. I still don't understand why it's alienated from the capitalist class; I don't understand how it separates itself from it.

JIC: Because the premise is this: in this process of capital centralization, capital becomes directly social property; no individual capitalist remains who owns a portion of the capital. Now, capital is the property of society under the legal form of state property. Therefore, a condition for reaching this point is the liquidation of the capitalist class. That's why there is no longer a capitalist class for the working class to confront. But what continues to happen is that the working class is confronted internally: it has antagonistic relations of competition and of embodying labor power, and at the same time, of embodying capital within its own body. Only the working class remains, but the working class is burdened with antagonistic relations. All of society, the only class that remains, and therefore the only individuals who exist in that society, are members of the working class, and as members of the working class, they have antagonistic relations. And since they simultaneously personify capital, they have the antagonistic relationship of being sellers of labor power and at the same time being buyers of labor power.

Xatan: Okay, so we're talking about the case where all the social capital is centralized in the society as a whole, right?

JIC: Exactly.

Xatan: Okay, but from that perspective, then why does it continue to happen? If society as a whole organizes social production, how can this contradiction exist? If there's a contradiction, if interests are opposed at some point, then we can't say that all of society is organizing social production. That is, not all of society has the

same interest with respect to social production. That's why we would talk about this management, these directors, etc., which you say continue to alternate between antagonistic social relations, but I don't understand how it's possible to talk about centralization in this way when this antagonism exists within the class itself. I don't understand the socialization of all social production when this "class struggle" still exists, even if we frame it in terms of only the proletarian class itself.

JIC: Because here there is no unity between production and social consumption. What governs the implementation of social production is capital. It is this capacity to set social labor in motion with the immediate aim of multiplying the capacity to set social labor in motion. Overcoming this implies an immediate unity between production and consumption. And what we are proposing here is a situation in which that unity does not yet exist. Use values are not simply being produced, which would imply that capital and the working class have disappeared. And now this is not a society of individuals who govern their social life process, where each one immediately recognizes themselves in their condition as an individual organ of that social life process, but rather this continues to be the capitalist relation, the relation of capital.

I'm going to give an example now, with many caveats, because it's not an absolute socialization of capital, but rather the socialization of fragments of society's total capital. But for me, there is an example of this centralization process, in a limited sphere, of the absolute centralization of capital as the property of the working class under the legal form of state ownership, where the political organization of the working class manages society's total capital. And therefore, the political organization of the working class has to exert coercion over… I won't say "the rest" because it depends, one is speaking in very general terms, but in the organization of social labor, it exerts coercion over itself and it exerts coercion over the rest of the working class. That's the situation. The alternative would be to have overcome the capitalist mode of production. And what I'm proposing is the full development of the capitalist mode of production, the, so to speak, "absolute" development of that contradiction.

It's full socialization, but labor remains private; there's no unity between social production and consumption, no immediate unity. So, somehow, there has to be a system in place for how each member of society is assigned what specific useful work they will perform. This form of allocation is the movement of capital; it's the production of surplus value. And this production of surplus value is what sets social labor in motion with the immediate aim of multiplying the capacity to set social labor in motion. This implies a power for the development of the productive forces of social labor that is superior to that of the simple capitalist mode of production, where private ownership of the means of production prevails, but at the same time, it's governed by all the laws of the capitalist mode of production. It remains a consciousness that sees itself as free because it is alienated within capital. Perhaps if we delve a little deeper into this, concrete forms will appear that one can associate with what one takes. Well, let's look at concrete forms of this and return to this general question.

Of the various ways in which capitalist private property is transformed into working-class property, there is one type, with many variations, that doesn't involve a social revolution or the transfer of capital to state ownership, but rather transforms ownership of capital into ownership by portions of the working class. One of these expressions—for me, the most visible of this form—is what was happening in… I have data from 20 years ago, and I don't know what happened afterward, because some things changed in the established accumulation of capital, and this must have changed. But retirement and pension funds, which are part of the value of labor power… In the United States, retirement is structured very differently, at least compared to what Argentinians are used to seeing; I think in Chile it's not exactly like here, and here at certain times it wasn't exactly like it is now. But the accumulation of a pension fund is part of the value of labor power, because it is a worker from whom capital demands such an intensity of labor that even on the day they are no longer able to provide that intensity, their natural life continues. If their individual life were to end on that day, they would not have been able to sustain the demanded intensity the day before. Therefore, since this individual will no longer possess labor power with the productive attributes that capital demands, in order to have developed those productive attributes and applied them to production during their useful life for capital, they must have the means of subsistence for the remainder of their natural life. If they did not have these means, this individual would have to take a portion of their current wage, not consume it, and save it for when they no longer have labor power to sell. And in that case, since their current wage would only be the value of their labor power in its immediate reproduction, they would have to consume fewer means of subsistence than corresponds to the value of their labor power. And they wouldn't be able to work with the intensity or productive capacity that capital demands of that worker. Therefore, pension funds represent a portion of the value of the labor power of workers who have already worked.

The historical reality is that, to a large extent, in many countries (this is certainly the case in Argentina), these pension funds have been decimated. Then the discourse of “intergenerational solidarity” emerges, which is nothing more than the ideological justification for emptying the pension funds of previous generations. Because the worker, throughout their working life, built up the fund from which these pensions should now be paid. Therefore, it's not a matter of the worker currently employed having to pay their pension when they retire.

Well, in the United States, some retirement and pension funds have that structure. The worker builds up the fund as they work, with contradictions such as contributing that portion of the value of their labor to the capital of the company they work for, and then the company goes bankrupt and they're left without their retirement fund. American labor statistics have a particularly perverse feature: they only include those who are formally employed. In Argentina, in Chile, in Mexico, everywhere, so-called "informal work" appears in labor statistics. In the United States employment statistics, as far as I could see (because it surprised me; I was convinced it included informal workers), only formal workers are included. So, regarding these retirement and pension funds, the data from 2001, I believe, showed that something like 30-40% of the capital of the 1,000 largest publicly traded companies in the United States belonged to retirement and pension funds.

Then a form of ownership emerges among fragments of the working class, not only because of national divisions, but also because not all workers in the US have these conditions, not by a long shot. It doesn't, to this degree, constitute a social revolution, but it shows how workers who own this capital confront it as a social force they cannot control.

For me, the most concise expression of this was an article I no longer remember where I read it. With my bad habit of not saving or taking notes, I lost it and can only recount it from memory, with a very peculiar premise. Keep in mind that this is also from 2001, when Chinese industry began its rapid expansion. The argument presented in the article (it was even written in the first person because it was from an individual in this situation) was: we are the owners of this capital. Therefore, what we must do is instruct the managers of retirement and pension funds to refuse, at shareholder meetings, to allow production processes to be outsourced from the US to China, because this capital, which is ours, is leaving us without jobs. So we must prohibit this capital from leaving. Concrete experience shows that capital left without any problems because the power of accumulation was in China, and even though it's privately owned by the working class—we have to consider that if it's 30-40% of the total number of the largest companies, some must be much higher proportions—these workers can't confront the capital that belongs to them and force it to benefit them instead of leaving them jobless. Their demand is that it at least exploit them and not others. So, for me, this is one of the manifestations.

The other example that, for me, most clearly demonstrates the scope of this absolute centralization of capital as the property of the working class is the case of the Soviet Union. While not the driving force behind the universal movement of capital, they represent the power of capital within a national territory. This national process of capital accumulation, to put it very roughly, appeared to be among the most "backward" in Europe. It's important to remember that in Russia, serfdom was abolished in the 1860s, if I recall correctly—the same period in which slavery was abolished in the United States. Until then, it was essentially an agricultural country, characterized by a lord-serf relationship. And it is a national territory with a vast population potentially capable of being transformed into a working-class population for industrial production. Within its borders, it possesses a wealth of natural resources that can be converted into means of production for the development of industrial production. This working-class population is largely illiterate and comes from an agricultural background. A transformation is occurring in the industrial production techniques, namely the development of the manual assembly line, where workers with highly developed productive skills are no longer necessary.

I think we've already discussed this: the original assembly structure for cars in the automotive industry, which came from the carriage industry, consisted of a master craftsman with a team of assistant workers, some specialized in specific tasks, but to become the master craftsman capable of assembling the car required years of experience. The assembly line allows for the use of workers who don't even know the national language, who are illiterate, who have never worked in the industry, and who are fully trained to work. […] I mentioned this in the case of the

assembly line at Ford: at the beginning of that assembly line, something like 80% of the workers were fully trained to work after a day's work.

And what Russia has, then, is a working-class population with these potential, and what are called exceptional “natural resources.” And with another attribute: it has a scale within its borders, a population mass of such magnitude and scale that it is at a historical stage in which the most powerful national processes of capital accumulation operate essentially by selling in their domestic market. They sell in the world market, but the key is the development of the domestic market. So, it brings together these strengths, and at the same time, it has a history of strongly hierarchical social organization, strongly structured with discipline, and at the same time, it has the development of individual capital, it has all the agricultural production necessary to feed that working-class population, which it can expand. And it has a political form that is still an expression of the remnants of feudal relations; it is a capitalist development, but extremely limited.

And the only way for that national process of capital accumulation to fully express its potential is by centralizing that capital as directly social property, abolishing the capitalist class, the landowning class—which held significant sway in the organization of social production—, transforming that mass of peasants into industrial workers, transforming all that mass of natural resources potentially usable in social production into means of production. And the only way to carry out this process is through the absolute centralization of capital, and the only entity capable of implementing this centralization is the political party of the working class, which is not the vast majority of Russia's working population, but rather the one possessing the attributes inherent to capitalist production. And so, what we have before us is a process of absolute centralization of capital under the legal form of state ownership, with the establishment of the Soviet Union. None of the countries of Western Europe possessed this capacity. Take Germany, France, even Italy, England, and they had more developed national processes of capital accumulation than Russia. And at the same time, they don't have the scale or the natural conditions that Russia has, which would allow them to express the full potential that this centralization of capital provides. If you like, I can address the political forms later.

There is another national space of capital accumulation that shares two attributes with Russia and one that differs from it: the United States. It has just completed its territorial expansion at the expense of annihilating the indigenous population, the population linked to another national space, such as Mexico, and appropriating that territory. It possesses a territory rich in natural resources ready to be put into production, because until now they were not being utilized. It potentially has a very large domestic market, but it lacks a readily available working population. So, he's going to look for that mass of working-class population in a population that has the same attributes as the Russian peasant: illiterate, peasants—as we haven't seen so far, this corresponds to the development of the surplus working-class population, but let's take it—and he's going to incorporate them from Italy, he was already incorporating them from England, Ireland, Spain, Italy, Turkey, China, Japan… And he's going to put them to work on the manual assembly line, where it's not necessary for one worker to

speak the same language as the other worker, but rather they are in a position to be put into this process.

And these are two national processes of capital accumulation that, ultimately, are based on the same thing, but because one has the population already within its borders and the other has to attract it, their political forms (and also the specific histories of the occupation of territories and so on), due to their specific forms, cannot be the same… One takes the form of an absolute centralization of capital, the other takes the form of a very violent centralization of capital within each sector, contemporaneous with the eve of the formation of the Soviet Union, and it continues afterward. At the beginning of the 20th century, the United States, the largest domestic beer market, has only one capital producing beer, one capital producing cookies and baked commodities. There is only one capital producing steel. So, there is a very strong process of capital centralization, but within each sector there is another possibility of capital centralization, which is what is called vertical centralization: centralizing with a supplier of means of production, centralizing with a consumer of the means of production that is produced.

So, we have this process. And when you look at the power of this centralization of capital under this national form, and only with this national scope, in its development, after just a few decades it becomes the second largest national process of capital accumulation in the world. It goes from appearing as the process of capital accumulation that revolved around agricultural production to being the second largest national process in terms of industrial production. The first is the same, with the same attributes, but with a different foundation. What, then, is the political party of the working class that centralizes capital going to be? We must consider that centralizing production is an extremely complex process, and that at the same time, the instruments available today for carrying out these processes, compared to those available at the beginning of the 20th century, represent a vast difference in potential. Therefore, the aim is this absolute centralization, to be able to organize all social production through a plan.

This party that is going to seize state power, that is going to seize political power and centralize capital, takes the form of a revolutionary party, and its members, the individuals who embody it, are individuals with a revolutionary consciousness. But now that capital is centralized, it must be put to use. And now the problem is that this capital and the antagonistic relationships that remain within the working class must be managed. And the one that will manage this is, above all, a political party of a bureaucratic nature. It has to administer this capital, and it will apply all the brutality inherent in the management of capital, because it will have the antagonistic relationships with the rest, or with the different "stages," so to speak, of the working class, which are characteristic of those who manage capital with its inherent potential. Therefore, it will use the same methods that capital uses everywhere. Before I begin, I'd like to make an observation.

There's a picture, a photograph I think it is, I can't remember if it's from the first Supreme Soviet of the Soviet Union, from 1917. Of those in that photo, 20 years later only two were still alive: Trotsky—who was exiled shortly afterward—and Stalin. All the others, due to natural causes, because they were elderly—as was the

case with Lenin—or because of the purges, disappeared from the Soviet and from everyday life. And what this shows is that what capital centralized no longer has a role to play; now another kind of personification is needed. What will seem peculiar about this? The ideological discourse will emerge that the capitalist mode of production has been overcome, that now there is directly social production, and that this is the production of use values for the working class. And then, what will later be called "moral coercion" appears [299]: the identification of the worker with that capital that is centralized for its own immediate interest. And then there's the case of ~~Stakhanov,~~ a miner. I never remember exactly what he did, but something like in a single day he extracted—I don't know if it was coal or ore—what was a week's worth of production (I once saw something about a month's worth, but I think that's impossible for a human being). Keep in mind that this extraction was done with pickaxes and manual labor, which implies a ferocious drain on one's strength, a ferocious intensity of work. And Stakhanov becomes a hero of the Soviet Union: there's a whole structure, an ideological discourse surrounding Stakhanovism, organization based on identification and moral incentives, and the worker who works with great intensity is given the Stakhanov medal.

Trade unions cease to be the immediate representatives of the collective workers of the capital to which they sell their labor power, and instead become organs, representatives of the organization of the social production process; they come to express the unity of that process as representatives of the state. And there is a peculiar form of coercion that developed in the Soviet Union, one that cannot develop where capital appears as directly private property, or can develop with much less... Which is that when a worker tries to strike in defense of the conditions for selling their labor power, the first thing that appears is that they are an enemy of their class. Because this is the interest of the working class, so if they want to strike, they are an enemy of their class. But they are also an enemy of themselves, because they are acting against the interests of the workers. Then the psychiatric institution appears as an instrument of coercion, because an individual who harms themselves is considered insane. Therefore, they can be subject to psychiatric confinement until they stop harming themselves. I'll probably forget later, because there are other things, but I wanted to add this.

At the same time, for the national processes of capital accumulation that compete with the Soviet Union—and which has become the main competitor of the rest, at least openly so—the ideological discourse to its workers is: you overcame the capitalist mode of production, you carried out that social revolution, and you are the same as or worse off than you. So, don't pretend to overcome the capitalist mode of production. And if you look closely, this is the discourse that continues to circulate abundantly, and with the rise of the Austrian School of Economics, even more so. So this ideological discourse appears from both sides. On one side, which praises itself, it says, "We overcame the capitalist mode of production," "This is socialism"... There is even a Constitution of the Soviet Union, and the fact that there is a Constitution says that labor is not directly social, because the image of isolated individuals who come to constitute the state continues to appear. Not that we recognize ourselves as individual organs of this subject that is society, but rather it

[299] Or “moral incentives”.

appears as: we are subjects who come to constitute the collective subject, we are not individual organs of this subject that is, above all, collective.

Then these political forms appear. What is the clearest expression—I think we've already seen it, but I'll raise it again—of the persistence of the private nature of labor because there is no immediate unity with social consumption? When we discussed value, I believe I already raised this point; if not, I'll raise it now. Towards the end of the 1940s, the beginning of the 1950s, at the USSR Academy of Sciences, where the main planners were, among others, was Leontiev (for those who aren't economists, he's considered, in this naturalization of capabilities, the father of the input-output matrix). Apparently, they presented Stalin with a draft of the *Manual of Political Economy,* and he replied in a letter (which I imagine must have frightened them quite a bit)... I don't know what the original version of the *Manual said,* but in the letter, published under the title "The Problems of Marxism in the Soviet Union," he asks: "In the Soviet Union, do commodities exist?" And he answers: "Yes, they exist." "Does value exist?" And the answer is, “Yes, value exists.” “Is that good or bad?” And he says, “Neither good nor bad, but rather good, because it allows us to control the planners, to know if they have planned well or poorly.” Because when commodities reach circulation, the market, if they don't sell, it's because they planned poorly. And if they sell, they planned well. And if they sell and there's a shortage, then they also planned poorly.

So, the USSR's *Manual of Political Economy* —a substantial book, required reading for all Communist Party intellectuals at the time, and studied in every university in the Soviet Union—states: abstract labor is the physiological expenditure of the human body. In market societies, abstract labor produces value. And there are two forms of market societies: societies where private labor prevails, and societies where directly social labor prevails. Societies where private labor prevails are capitalism. Societies where social labor prevails are socialism. In societies where social labor prevails, it is socialism. And why then is value produced, and why are commodities produced? It reiterates what Stalin said in the letter, albeit in a slightly more developed form: because this is how one determines whether planning was successful or not. What it's saying is that, when planning occurred, there wasn't an immediate connection to social consumption; the extent of social consumption was unknown. That's why it was necessary to plan and then bring that product into circulation so that the indirect unity between production and social consumption could be established through the mediation of value. Therefore, the market society is established before explaining the private nature of labor. The *Manual* says: but there are market societies and... This has a whole antecedent that originated with the 1917 revolution.

Xatan: Then it wouldn't be a directly social organization, if I'm not mistaken, because they have to mediate with value, obviously.

JIC: Exactly. Production is a single unit, but it's not linked to social consumption. What governs the implementation of production? The production of more capital; and that's the capitalist mode of production. I always emphasize this: this is the power of the working class, and as we've seen, everything the working class does in the capitalist mode of production is at its own expense. It centralizes capital, and

that comes with the annihilation of masses of the population to transform them into industrial workers. And then we'll look at some other things. But I wanted to finish this.

When the Soviet Union began, there was roughly a decade of explosive intellectual production in all fields, including artistic production. One manifestation of this explosion was the discussion that: well, we've moved beyond the capitalist mode of production; there's no more value, no more commodities. Therefore, planning has to be done in terms of use values. And the debate centers on how to plan in terms of use values. This presupposes the immediate unity between production and social consumption, because I have to say: this use value that I'm going to produce is for this individual to consume. I'm not going to produce more or less than what will be consumed: I'm going to produce what will be consumed. This intention to plan in terms of use values was quickly defeated because the argument was: no, we have to plan in terms of value; you can't plan in terms of use values in socialism. And all planning in the Soviet Union was based on this unity to coordinate the production of value. There were texts on this before, but it was ideologically enshrined here in the *Manual.*

The *Manual,* I believe I must have already mentioned this […], has a section on "Capitalist Economics" and a section on "Socialist Economics." In the section on socialist economics, money appears, but "it is not money, it is an instrument of planning." Wages appear, but "it is not wages, it is an instrument of planning." Interest appears, but "it is not interest, it is an instrument of planning." All the forms characteristic of the capitalist mode of production are instruments of planning. […] There is a reason, a basis for reinforcing the appearance that the Soviet Union transcended the capitalist mode of production, that it does something we didn't see, but it is this: it doesn't generate a surplus working population; it desperately absorbs the working population. And there are several reasons why it cannot demonstrate that it generates a surplus working population.

First, it's because it's growing at a very rapid pace, and therefore absorbs a large number of workers. But the second issue is that it originates from World War I, where there was a significant annihilation of the Russian working and peasant populations. It continues with the war against the Whites, with foreign involvement; it seems like a civil war, but… and there are another large number of deaths. It continues with forced collectivization, where there are yet another large number of deaths. It continues with the Stalinist purges, where there is another mass of deaths. And it continues with World War II, in which the working population suffered the greatest number of deaths. Therefore, the possibility of generating this surplus working population doesn't arise due to this dual movement: accelerated growth, and the permanent, violent annihilation of a very significant portion of the population. This continues until capital accumulation ceases to take the form of international wars (we'll see for how long, but…) between equivalent national processes of capital accumulation. What is the discourse of Nazi Germany? It's a problem of living space. For whom? For German capital, which arrived late to the colonial scramble and needed to expand its scale, the previous wars were also a clear expression of this competition for national territories. The size of their domestic markets was no longer sufficient, and their

production scales were no longer adequate compared to those of the US and the USSR. But this situation ceased to take that form.

And then another transformation occurs: the differentiation in the conditions for the reproduction and sale of labor power. What we saw in the United States—workers saying, “The capital is ours, don’t take it to China,” which they couldn’t resist in any way—was incompatible for the political unity of the Soviet Union. It was impossible to generate masses of surplus working-class population while simultaneously openly exporting production in the form of capital to East Asia. Therefore, it couldn’t create the fragmentation of the working class that occurred in Western European countries and the US —which, through its history of slavery and racism, had very visible grounds for differentiation. And so, it began to technically map out… because it continued producing means of production that corresponded to that undifferentiated, universal assembly-line worker who was beginning to be displaced in the competition by the assembly lines—at that time, moreover, manual—first in Japan, then Taiwan and South Korea, then China, and now continuing with India, Vietnam, and others. Then in the USSR, capital accumulation began to be strangled, and the country became characterized by technical backwardness in production in general. It reached its lowest point in the phase where the undifferentiated worker reached its peak, which was in 1974. Then, as consumption conditions and living standards in the Soviet Union began to improve, it could no longer compete in the world market, entering a process of stagnation, crisis, and ultimately dissolution.

Who will be in charge of dissolving the Soviet Union? The political party of the working class. The leaders of the political party of the working class will pocket the capital that was directly social property. The fiction that will unfold is that the capital will be distributed among all the inhabitants of the USSR, that the individual who has no one to sell their labor power to will have a small title to the capital, and will sell it to the first person who pays them something. This is also the history of land grabbing in countries like Argentina, and I suppose in others as well. And the former Soviet Union has masses of surplus working-class population. Where does the working-class population that does the most complex work go? In Russia. Where does the surplus working-class population go? To the peripheral countries of Russia. And now it's no longer a problem of capital accumulating in Russia, because this is the capitalist mode of production; it's clear that there is a surplus working-class population, and this ideological representation is over. The current ideological narrative is that capitalism has "returned." But capitalism hasn't "returned"; it has returned in a form that, when viewed from the perspective of national unity, represents a regression to its former strength. Since global unity is at stake, this national form could not be sustained.

There's also one… I always thought it was Sweezy, but I've been looking for him in his writings and I can't find him. In the late 1960s, during the very rapid expansion of the Soviet Union, there's an American economist who calculates that by 1980 or so, the USSR will have the highest per capita GDP in the world, higher than that of the US —that is, the highest wealth per inhabitant (that's supposedly what it measures). By the time that projection was made, the USSR no longer

existed. So, there you have the ideological frameworks, and how can you not critically question the process unfolding before you?

I simply want to add one more thing to complete this (I know there are many more). When you look at Germany, France, Italy, England… contemporaneously with the development of the USSR, what appears is that they clash with the scale of those countries. And here, the centralization of capital cannot reach the same levels of power as the Soviet Union. And in these countries, the centralization of capital will serve as a basis for private capital, both individual and collective, to sustain its accumulation. So there will be a partial centralization of capital as state property. At the same time, this entire process occurs alongside a significant development of transformations in the materiality of labor, which encompasses these transformations in what constitutes a worker, as we were observing it. By 1960-70, assembly line workers were no longer a mass of illiterate people; they were all literate individuals. And the workers in charge of organizing social production had university degrees. The intensity of labor required by the development of large-scale industry, and still required today, necessitated a shortening of the working day, extending the worker's lifespan so they could sustain that intensity. Since it took time for them to develop their productive attributes, capital now seeks to exploit them as extensively as possible. All these processes of transformation, then, of the conditions of labor power, could only be embodied by the political and trade union organizations of the working class.

Since this centralization of capital as state property implies the partial abolition of private property, it could not be embodied by the political parties of the capitalist class. Therefore, the political parties of the working class, with all the contradictions this entails, will, on the one hand, have a marked political force (especially after World War II), because they are the ones that express the direction in which capital accumulation is heading. But in Western European countries, absolute centralization is not possible; therefore, a revolutionary political party cannot advocate the immediate abolition of capital. What will emerge? Social democratic political parties that propose the partial centralization of capital, the transformation of the conditions for the sale of labor power, and they will advance in that direction.

In the case of the US, the working class tries to form parties, but these parties are violently annihilated, especially after the USSR, which becomes the national enemy. To be a socialist or communist is to be an ally of the USSR, and therefore an enemy of one's own nation-state. What does emerge are very strong labor unions, because, given the scale of the American economy, the need to centralize the capital of so-called "public services" to sustain the general movement of accumulation is not considered. In Europe, when railroads, electricity, water, communications, etc., are centralized, these are all forms of capital that do not generate profit, but because they extract surplus value from their workers and give it away to the capital of individual capitalists, these capitals can sustain their accumulation.

So, when one looks at political forms, why the party of the working class organization, the revolutionary party, why the party of the bureaucrats who

liquidate the property of the working class, why the reformist parties, why the non-party of the working class but with a very strong trade union organization… In my view, what one has to look at at the base of this entire movement is what form capital accumulation takes, what material forms it assumes, what scales capital concentration and centralization reach; and consequently, what political forms it takes and why at one point the working class, in a certain national process of accumulation, has political power and why at another point it loses it. The latest example is, both in England, New Labour, and in France, Hollande: when the political organization of the working class supposedly returns to state power, what it does is slightly soften the conditions corresponding to an increasing differentiation of the conditions of sale, including the generation of an ever-growing mass of surplus working-class population. This is written in a simpler, more summarized form in my book *The Capital: Historical Reason, Revolutionary Subject and Conscience,* is a chapter that is about the USSR, afterwards I developed more comparisons.

[II]

[…] The last thing we had seen before we cut and announced that we were going to continue in February (It has been a little longer), this issue of the Soviet Union, of the process of absolute centralization of capital as property of the working class under the legal form of state ownership. AND We didn't get to develop The discussion about that, I gave the whole presentation, and then time ran out. So, I don't know if you want us to resume that discussion. Or if we move forward. [They say we should resume it]

Well, the floor is yours. You propose the following, because the development was... Well, this is an expression of the powers of a national process of capital accumulation, *not* of the general movement of capital, based on a population mass peasant (now later we'll look at: surplus population) latent), and a mass of natural conditions potential, the full expression of the powers of that national process of capital accumulation could only be expressed through this absolute centralization. The immediate subject that It expresses, it directly embodies that process of capital centralization, It is the political organization of the working class, the Russian Communist Party. That this absolute centralization of capital needs to take the form from the abolition of the capitalist class and the landowning class *at a stroke,* It takes the form of a social revolution, that match It has the character of a revolutionary party. Once capital is centralized, it now needs to be managed: it It transforms into a party of a bureaucratic nature, to personify capital in its movement, expressing all the potentialities that this absolute centralization of capital has.

We looked at the ideological discourse both within and outside the Soviet Union, that the capitalist mode of production has been overcome, instead of being looked at as the full expression within this national space of the process of centralization of capital. And we also saw how does it correspond to a historical period of production of a relatively undifferentiated worker based on the development of large-scale industry, sustained by these two work processes, of intervention of the

subjectivity of the workers, who were the calibration of the machinery and the manual assembly line. And how when development The technical conditions through computing allow us to displace, to replace in these two processes that we had up to that point, the presence of the worker's subjectivity with the development of the machinery, how starts to crash with the need for differentiation that it has capital in relation to workers that it will put into production; how the political form The appearance of having overcome the capitalist mode of production clashes completely with this differentiation. How then does a delay process technical, until it can no longer be sustained.

And the other thing is how the centralization of capital transcends all national borders, and this is delimited as a limited national space, How can he not withdraw the capital? to produce outside their national sphere and how this leads to inability to reproduce that centralized capital, to the process of decentralization of capital. How is it the political party of the working class that manages this process? decentralization and how, based on that decentralization differentiation begins to develop, etc. If I remember correctly, that was largely the focus of the discussion, but you can suggest what you would like to discuss.

Ivan: Well, Juan, to break the ice, I wanted to ask you the following. I mean, how does the USSR's decline appear in the New International Division of Labor, that is, in that process, because the USSR cannot expand its capital globally, that is, it has a limit given by the national space of accumulation itself. But what happens at that stage is that There are companies, some of which are even state-owned, that are expanding globally. I don't know, for example, here some of the privatized ones, such as electricity or telephone companies, They are European state-owned. Why couldn't the US participate in that? process, with the influence and size that this block also encompassed socialist?

JIC: What one has in front of them is the unity of that process of capital accumulation. It is expressed through the appearance that the capitalist mode of production has been overcome, It is expressed through that ideological appearance. This ideological appearance implies that there is no other national sphere. It implies that everything taken capital outside the national space to be applied in another territory, appears as the negation of what is the Soviet Union itself. It's worth noting that the countries of Eastern Europe They are not integrated to the Soviet Union: They remain democratic republics independent, and there is a relationship of strong asymmetry in the movement. The processes of strong centralization of capital that transcend national boundaries, They largely developed very strongly after the Soviet Union had already dissolved.

So, this this clash that I exemplified With this *Yankee* 's argument that companies are ours because of retirement and pension funds, We must prohibit our representatives from continuing to eliminate jobs. But what is the capitalist mode of production? ideologically recognized as such, So, this is part of the competition in the movement of capital. In the case of the Soviet Union, that begins to have a strong generation of surplus working-class population, multiply the surplus working population, do not apply all potential for capital accumulation within the national space, collides with the ideological unity of that movement, of

that national process of capital accumulation, which gives the appearance that there is no longer any competition here, that the production mode has already been surpassed here capitalist. So, it needs a political form that does allow to make the internal differentiation, generate, openly acknowledge the presence of the surplus working-class population. Only then can start releasing productions —and in fact it does—outside its national borders. So, It is incompatible with the political form. On the other sides, What one also has is that They are the capitals of nation-states who centralize, and many of them have ceased to be of their original nation-states, They have also ceased to belong, of being seen as a socially owned capital within the national space and are seen as capital independent of any national space of accumulation. In my opinion, that's what's at the heart of it.

There's an expression for that, which is… I don't remember if it was in 1952, in the ideological construction that prevailed in the Soviet Union, of: here there are two phases: The first phase is socialism and the second phase is communism. And in the communist phase, the prevailing principle is "To each according to their needs," the 1952 Constitution declares that the previous phase is over. and that now this phase has begun. And then the clash, the incompatibility with political forms it is absolute. I always take this: the multiplication of the surplus working population. If he had the powers of the relatively undifferentiated worker phase, he does not have the powers, And this is the way the policy of the full power of those nations for a national space like the Soviet Union. I made the comparison with the United States. which also its strong expansion It corresponds to that phase. But it never appears there... precisely because of the differences in not having a surplus population already located within the national territory, not having the history of the organization's centralization of social life, Politically, it needs to take the form of, on the contrary, a multiplication of individual capitals and independent movements of individual capitals.

Neither of them This can be fully sustained when the defamation phase comes, because the United States also enters into a strangulation of capital accumulation through this process of differentiation. I don't know if I answer with this, or I don't answer, or...

Ivan: I don't know, I still have some doubts. I mean, the limit bothers me a bit. “political”, or “political-ideological”, because I feel that limit (and I feel this way because I feel somewhat alienated from knowledge, But, well, from what I've been able to read and research, I come from Trotskyism, Juan, too, you understand that. This had already been made clear previously, that is to say, what they were the uprisings in the 60s and early 70s And with the war in Afghanistan, I mean, there it seems to me that it's already a matter of... Or what you had said previously, like this workers' state that goes out to directly repress its own working class, the Prague Spring, etc., violently, it is the Russian military apparatus that goes out to repress those countries from Europe and the East.

JIC: Wait, wait, will you forgive me for something? No, that's not their own working class. which are not part of the Soviet Union: He goes out to repress “deviations "On the road to socialism" [Laughter], in those terms; he does this. Now, in any case, what we were looking at is: these processes of differentiation and

transformation of masses of latent surplus population into a labor force for the production processes based on the cheapness of labor They come from the 60s and 70s. They explode with computing in the eighties, But they've been around for a while. And in the Soviet Union, one of the things that [...] [300]the growth of the surplus population begins to become evident. It's not something that happened to them in the nineties: it's been building, it has had previous manifestations, and it's going to explode. after.

And the other thing I wanted to point out to you is: It is not a workers' state, Because workers are an attribute of capital, and the state is the political representative of the total capital of society; therefore, it is a capitalist state. But it doesn't matter, that's nothing, it's just a trick, forget it. But I do want to clarify this. I think it's important not to look at it... because many times when it's viewed as a workers' state, It then seems like the image of betrayal. to the Workers' State. And what the workers' state does is coerce to the workers of the Soviet Union, It is the working class itself that is coercing itself, but in the form legal and political aspects of state coercion. It's not that Stalinism betrays that state. Worker: Stalinism is the expression of how... the powers that this centralized capital has as property of the working class, with all brutality which is inherent to capital. And what it does is set in motion that process of capital accumulation... I had mentioned it to them (I didn't notice afterwards and I don't remember who it is) the one who had announced that, I think it was for the early 1990s, The Soviet Union was going to have a higher Gross Domestic Product *per capita than the United States.* Because the Soviet Union was growing at over 5% annually, and the United States at that time was growing at 2 or 3%, or something like that. And then... I always thought it was Sweezy, but then I couldn't find him. And I was looking for it in Sweezy's booklet, in an article by Sweezy, and I didn't find it, but it might have been there. Well, one should never forget which expresses all the power that the working class has when it centralizes capital, even if here it is only as a national expression, and takes the leap from being, To use the term, the "most backward economy in Europe" to be the world's 2nd largest economy in a very short time, and all the brutality which the capitalist mode of production still contains in the hands of the workers, over themselves. But tell me, Ivan.

Ivan: Also related to the other question, which is what I wanted to finish with, is, what do you think about...? You know that Hobsbawm has his argument about why the USSR fell, I don't know if it's the complete statement, but at least part of it; one of the issues he raises is the backwardness technological of the USSR. I think the metaphor he's using is that It was very advanced in 19th-century industry, as if to say: well, it had a very large iron and coal industry But the change in the technical base left him, I don't know, to put it some way, "pedaling in the air" in front of the development of computing and so on. So, what are your thoughts on that process as well ? I don't remember if we had talked about it last time or not.

JIC: That's what I was suggesting So. On what basis is the development of computing largely based? Scientific development for the development of computing This is done by the workers who still came from that relatively

[300]Inaudible.

undifferentiated worker, but the application of computing It requires a lot of manual labor. When the whole development of computing and communications begins, The platelets were made manually. That production is not immediately present in the countries that developed computing: it's not in the United States, It is not in... France had a large development; at one time it still competed on a more or less equal footing. The French company was [called? (23:52)] with IBM... All of that is immediately exported to East Asia. When it begins to develop, which is one of the steps prior to platelets, the assembly of computer circuit boards with transistors, All of that goes, but straight ahead, first to Japan and then to Korea and Taiwan.

So, that's where the differentiation of the workforce comes in. Because it's an infamous manual labor job. And the European workforce, That universal European worker was very expensive from the point of view of capital to make That production. As it was produced under relatively undifferentiated conditions, It is a workforce that capital, by simplifying assembly processes, among other things, from vacuum tubes to transistors, which is Making welding points, that's where the differentiation lies. The approach of the Soviet Union's industry… So, I say, my first answer is: Because to make that development, I had to make the differentiation, and I couldn't make the distinction. So, however much their workforce... Furthermore, it's a historic moment in which Undifferentiation is taking the form of an increase in the amount of use values consumed by the working population. I suppose that, just as it came from this stage of the universal worker to produce workers with more productive attributes, The need arises to increase the consumption of use values. And there is a sharp increase in what would be real wages in the Soviet Union, decade From the seventies, perhaps the beginning, first half of the eighties, there is this need to increase worker consumption, which implies a need to produce a certain type of worker, but it appears as a necessity general.

So, for me, what primarily contributes to the backwardness is this: they continue to use the tools, the machinery that corresponded to the old universal worker, And with that, you can no longer compete. Now: this phenomenon was occurring in the Soviet Union. I had the opportunity to discuss it with Horacio Ciafardini. Horacio was a member of the PCR [301], so he didn't have much sympathy for the Soviet Union. But he studied planning in Poland, with Oskar Lange, and had had the opportunity to visit the Union Soviet. And his proposal was (this was said in the late 70s, early 80s) Yes, the Soviet Union had the space industry. highly developed, The war industry was highly developed, the atomic industry was highly developed, but you could scratch the matchbox and the matches would break. That was the popular image of the poor quality of use values for consumption general.

I don't know to what extent this was strictly true, and to what extent it was critical vision on the side of Ciafardini. Well, for them the Soviet Union was social imperialism; they were the two imperialisms: American imperialism and social-imperialism, which was the Soviet Union. So, it appeared biased in this regard. We would have to look more closely… Indeed, the automotive industry [302]… But we

[301]Revolutionary Communist Party.

[302]It appears that he is responding to the chat, but his transcript is not available for this session.

also have to look that was not oriented the production The production of automobiles for general consumption was geared towards the production of trucks and public transport. Therefore, when this issue of increased consumption of use values arises, FIAT makes an agreement with the factory from the Russian state that made the cars and they started to be manufactured FIAT models in the Soviet Union. And that's where the incorporation of... […] begins If I remember correctly it was the Fiat 128, the Fiat 125, one of those he had joined there. But that development is also late.

I understand that there are arguments that say the industry was quite behind, that it was still operating on the basis of engineering. reverse, of copying what was produced in Western Europe, in the United States. I don't know, I always regretted it not having been able to take advantage of the situation of an Argentinian (sorry, that's a digression, but...) who had received his degree in Argentina, I believe as a public accountant (because it was a time when there were no... (Bachelor's degrees in economics were just beginning), a member of the Communist Party and had gone to do his postgraduate studies in the Soviet Union and had worked all his life in the planning agency, and with the dissolution of the Soviet Union it returned to Argentina. But he's a guy who knew a lot about planning, I suppose. And the problem he had was that, I suppose, he was very distressed about what had happened living from the From the glory of the Soviet Union to its dissolution... And then it was impossible to exchange three words without him interjecting a joke. And then it was very difficult for her to say what was happening. She did tell me a few things, Regarding the fact that the planning was not... That the managers of the various companies were doing all sorts of shady things, that there were competitions Beneath the surface of the formalities regarding who supplied whom and so on, I couldn't ask him much more than that kind of thing.

But I suppose there must be texts about this. Now, this Italian guy, what's his name, Franco…? This is for Fernando[303] Dachevsky. They were looking at the technical development of the Soviet Union, because Franco had that image of backwardness technical and a lot of copying. Oh well, For me, it needs to be looked at. throughout the development, if at any point they were more or less equal and From a certain point onwards, it started falling behind.

Ivan: I don't want to monopolize the conversation, in case any other colleague wants to speak, but I have a lot of questions. I wanted to make one more, one comment and one question, or two comments and one question. The first is an anecdote my uncle used to tell, that he was indeed a member of the Communist Party and had, and still has, sympathy for the USSR. I think they copied the cassette music player model in the 80s. And what my uncle said was that one factory is in charge of making the cassettes and another of making the cassette players. But the problem is that they couldn't agree, and the cassettes were bigger than the player, so They had a stack of cassettes and a stack of players that couldn't be combined. with the others because of the size of the cassette. And this story also included the fact that, I remember taking a seminar with José Castillo (from a Trotskyist party here in Argentina, for those who don't know), And I remember him commenting on

[303]The recording cuts off.

something that you just alluded to, that he said there was a problem with consumers in the Soviet Union because of the repression. In other words, it was very difficult as a consumer to complain about what you received. Then they said that the military industries, some of which you had mentioned, Consumers who were military personnel had a lot of power. to demand whether what the factories produced complied or not with the necessary conditions. So, it was as if those industries in general were well supplied, but the rest of the consumer industries… There were many problems related to what was produced.

And then—and this was the question I wanted to ask— That is how the repression of that capitalist state managed by operates. the working class on production processes. Because, for example, I remember that it appeared a lot, And I think this is also covered in that seminar, of the repression of the managers. In other words, if managers planned poorly or there were problems with stocks, sometimes, to avoid shortages, they overproduced. But, well, there were a whole series of problems with the planning, and many times that triggered the manager's own freedom, meaning that he could end up in jail or with some other problem. Summary trial type. How does repression operate in that sense? In this form of organization, isn't it also a limitation in itself? I don't know if the question is well worded, but oh well, maybe something was understood.

JIC: We would have to look at it in this way: We have to think that it is a type of worker, the manager, who is not today's manager, which is another structure. So, I would say this: I haven't been able to see exactly what's happening in the negotiations for a long time. But these were structures, in the industry in general, that were more or less hierarchical, in the sense that there was a line of organization. and people conform to the line. I don't know if that still works that way because of the type of differentiation process, but there were accountability structures in general. I couldn't tell you right now, we'd have to see it. I suppose there will be specific studies on that too, on what effect it may have had. Because the other form of coercion was what later came to be called “moral encouragement”, Because of what I was saying the other day, about Stakhanovism, of being a hero of the Soviet Union. That must have worked. in one historical period, and I suppose that in another historical period it must have faded away, and since it was from the Soviet Union, pay me more and Don't pat me on the back so much. But I can't say more than that...

This rigidity in the hierarchical structure also emerged when computing developed. when the whole process of having to move forward comes into play in technical transformations, is possible that this structure begins to clash with the possibility of generating workers who see themselves as free, creative individuals, and that, then, is one of the things... I think we saw it somewhere high up in the workshop, but not too high up: the way to exert coercion about a worker who, in order to perform his job, which is creative work, has to see himself as a free individual by nature, That individual can no longer be coerced telling him: if you do this wrong I'm going to send you to jail. He is coerced by putting little games for him to play, making sure he has a vehicle for all terrains even though it never leaves the asphalt, because that gives him the image of being an individual free. So, that can also be one of the faces. from the inability to maintain the transformation

in the material conditions. On the one hand, for very simplified work, But on the other hand, for the job that needed to be more complex.

Regarding the Planning unit, I had the opportunity to see (this was in the eighties), for work-related reasons, the reports on… In the United States they have something called… the "I don't know how much" Credit Corporation, that manages stimulus and production regulation credits. And I made a yearbook The analysis of what had happened in all the markets, particularly the commodity markets, was linked to the futures markets. And I once read a report from the planning agency, Gosplan, of the Soviet Union. And the report of what had happened during the year seemed like a carbon copy. from the US report. Because the United States report was: Steel production grew by 5% this year because this happened, that happened, and the other thing happened. The Soviet Union's plan was: a 2% increase in steel production had been planned, But it grew by 5% because this happened, that happened, and the other thing happened. And one of them said: these guys have so little control with respect to the unity of production and social consumption, The same thing happens in the United States: that is a unit that is established indirectly. and that deviates from normality in form, But it gave the impression that the plan wasn't—in very broad terms—well-integrated. As you say, it appears in that specific case that it wasn't well-integrated, and it didn't seem very well-integrated into the overall movement either. It was understood that there were circumstances that indicated production would increase. or decreased and not... And the plan was almost entirely symbolic. When you saw those deviations, you'd say, well, double my rate that was expected to grow or shrink… I didn't really have much control over what happened.

Now: I'd bet my head there are going to be tons of studies. So, punctual, from industries.... The problem is that they come very ideologically biased, a bit like this Franco, who is an Italian who is in England working on the former Soviet republics in Asia, What happened to the industry? Because they were production areas… some were agricultural, others were industrial production. Fernando, did you want to bring something up?

Fernando: Juan, how are you? No, going back to what you were just saying about the issue of unity And regarding planning, it's quite surprising… I don't know how much of what I'm about to say operated generally across all branches of production, but at least in the arms industry, and particularly in the aeronautical arms industry, There were different companies that submitted projects to the state and competed through those projects as if they were tenders. to produce. a specific aircraft that was being searched for. The question would be… I don't know, firstly, what level of generality this had, but how does this competition operate? ideologically, what is centralized planning?

JIC: The question is, they were different companies, but were they all state-owned?

Fernando: Yes, of course. You had Mikoyan, [...] [304], you had Sukhoi, Beriev... They are all different production units, let's put it that way, with their managed planning inside, who had to present a project and were competing for that project, because it is approved by the state.

JIC: Forgive me, because... They are state organs that raise the proposal to the organ of the state production planning unit.

Fernando: I understand that.

JIC: When I joined FIAT, I don't know how FIAT was run, but this is... In part, this is not being able to absolutely centralize planning, which with the resources available at the time... One also has to consider that: today it would be much easier to centralize planning. Back then, the tools available for planning were far more numerous. primitive and limited. Now: anyway, the body, Gosplan, is the one that then decides whether this one or that one will do it.

Now, the other thing that appears It is in the ideological forms that I did not dwell last time; I think we discussed it very early on, when we were talking about the arguments regarding value of the commodities, [...] we talked about why they couldn't Rubin 's proposals prosper Regarding: it is fetishistic consciousness that explains the existence of value and commodities, because afterwards there were commodities And there was courage in the Soviet Union, and conscience was supposed to have disappeared. Then this response appeared: There are commercial companies in which in some the work is private and in others they are also commercial, but the work is social. And so, in socialism, value exists and commodities, only they are planning instruments. That approach, which appears in the manual (I think it's from 1952, around then), will quickly be displaced by neoclassical economics. and the problem with planning... precisely what is missing is the recognition that They don't dare say it's capital, But they say: the means of production They are a factor of production that must be remunerated according to their marginal productivity. Labor is a factor of production that must be remunerated according to marginal productivity. And land is a factor of production that must be paid according to their marginal productivity. And it's possible that this ideological construct has made the idea very strong: production needs to be decentralized. But where can the optimal solution be achieved? When each of these factors is remunerated according to its marginal productivity.

So, the organs of the state that produce the same kind of things, they have to compete against each other to, precisely, maximize the productivity of —they don't say "capital"— of the means of production. So, I suppose that's where these constructions must have appeared most prominently. this change in ideological form. We would have to look into it, if at that time... when that competitive structure developed, which may have always been present, or if it appeared at a certain point in the movement...

[304]It seems to mention another Soviet company that I haven't been able to find.

Fernando: No, I understand that at least in the aeronautical war industry it was always there. I think that's right. At least one has different planes of different... Production units, from different companies—I don't know what to call them—since the beginning of the military aircraft industry in the Soviet Union. I don't know if it's...

JIC: But be careful, that may not mean they're competing: it could mean they're assigned tasks: well, you're going to produce this, you're going to produce this type of aircraft....

Fernando: But there were distinct productive communities, But it is possible that they did not compete, that's true.

JIC: But it was full of production units different. The degree of centralization of planning does not make it Absolutely, but they are all state-owned companies. that they have assigned… I mean: in bread production there must have been tons of independent organs, from independent companies producing bread, clothing... But that doesn't mean they competed against each other; they were assigned production quotas social. We need to see afterwards how the unit was established general. It's possible there was, I mean... One of the issues they have is, in agricultural production, despite centralization and everything, then there are independent managements Among the different productive units on land that allow for different levels of productivity, there are Very different situations, and there too comes the discourse of: she must be remunerated according to her productivity marginal. Therefore, the units that are on better land have to receive rent. And the argument is: differential rent is surplus value produced by the workers of each production unit. But well, we'll have to see it. My knowledge of the Soviet Union ends here. I don't know the details of how the unit worked and so on. I don't know if they want to propose anything else.

Ivan: I, Juan, had another thing in mind, but it wasn't... […] regarding working conditions, I wanted ask about income. What you were saying about... Stakhanov, I understand that it lasted very little. I studied a little bit of The Chinese Revolution and the Chinese, especially Maoism, were already criticizing the Soviet Union for material incentives instead of moral incentives. The Chinese were much more supportive and gave their workers encouragement instead of just good wages. But, in relation to this, I did read an ethnography that does a comparative work between the work of a worker in the United States Joined and the work of a laborer… not in Russia, but within the Soviet Union, in one of these European countries from the east, but I can't remember which one at the moment, it is [Faraway ? [305]] that makes comparative ethnography.

And what he maintains, which was very shocking to read, It was that while an American worker was working on a machine in particular, It was very common for workers in the socialist bloc They would use two machines at the same time. In the ethnography, he makes the description, saying that it was something extremely dangerous, In other words, the worker's risk and health were always in question.

[305]It mentions an author, but I can't understand the audio or find it online.

But since the payment was piecework, that is, the way to be able to obtain more income It was by increasing productivity, Those levels of exploitation were very normal. And yet, it didn't seem as if the worker, with that greater intensity of physical exertion and that higher level of work intensity be compensated with a salary equivalent to that of an American worker or similar. These things are starting to appear: on the one hand, it would seem that industry is operating with lower productivity, But it would also seem that there is some compensation for the workforce, for the working class in that industry.

JIC: That's where I lost you, how's that compensation?

Ivan: No, not in the sense that the working class is more exploited than the American working class, that is, as if there was a mechanism of absolute surplus value running harder in the socialist bloc than in the United States.

JIC: Yeah. Those are the powers that the centralization of capital has. as property of the working class, with all the brutality inherent in the capitalist mode of production. Real wages were... With these caveats: it's important to consider the specific period being examined. But it's clear that real wages were lower in the Soviet Union. than in the United States. Also, in principle, they were much more universal. Because what appears to be coming from the leaders... It's because the leaders had the dacha, the weekend house, but they had that. It wasn't that they had a world of difference. So, It gives the impression that it was quite... And that managers in the Soviet Union possibly had a much lower income level than managers Americans. Now: it is on this overexploitation of the working population that the speed at which it expands is sustained. the accumulation of capital in the Soviet Union. Sustained on all those conditions.

This thing I mentioned earlier is appearing very late... For example, beef consumption was extremely low in relative terms, as was food consumption in general. Wages rise, and wheat consumption rises. I know him from the Argentine case: Argentina is starting to export to the Soviet Union because wages are rising; and when one says: it is exporting more wheat because wages are rising, wages must be very low starting point for a salary increase to be reflected in an increase in bread consumption. Now: these are all specific conditions.

Also with this distinction: first we have to see what was happening to black workers in the United States, at what point, with the non-unionized workers of the United States, with the new migrants… It is true that a very high level of illegal immigration is part of this new phase, but... I forgot what I wanted to say. With all these caveats, The United States, as a country of immigration, continues to be a source of labor. through immigration, needs to offer conditions to attract that workforce, which are different to the one that has the population already within the national sphere, which does not have an additional source of labor and that comes with a story of highly disciplined work and subordination staff.

And this (I didn't bring it up either, I bring it up often, but I didn't bring it up in this workshop) It will have these reflexes, which is not the case with the Soviet Union, But it may be related precisely to the limitations when there is a need to

accelerate technical change. with the development of computing and so on. This is a study done for the US Congress 20 years ago, a little more. It's a study they do on differences in what constitutes productive subjectivity of... It's made about Japan, Regarding Japanese workers (one must remember that twenty or twenty-five years ago, China was just emerging explosively, (What still appears as the axis of technical development in East Asia is in Japan), and one of the things that appears is that the United States has proportionally more basic science that Japan, and Japan has a lot of applied science.

And one of the issues mentioned in the report That's the problem with... I'll put it like this: the Japanese mentality (to put it in these terms). The Japanese come from a culture of strong discipline, of strong submission to authority, And then they have the problem. that to do creative work one must see oneself as a free individual. That it may be that never in life have a result that is not simply: well, not like that, not like that, not like that, not like that… but I don't know how. Because all of these turned out badly for me, but oh well, this is what I have to offer. He is an individual who has to be accountable by saying: I achieved this. And that individual is useful to us for the development of basic science. And there may have been another aspect of the clash with what you were saying about the structure. of repression and so forth versus the need for technical change.

Regarding the Japanese or the Koreans, Nicolás Grinberg had an experience of seeing them working in English universities, where They had to go and "deconstruct" themselves. And then they were the fully structured expression of the unstructured individual [Laughter]: they complied with all the rules, they could not deviate from the norm they had to follow. Now, that's reflected later in what kind of workforce can operate. I don't know if in Japan, twenty years later, This is still working, But I suppose it still largely works. And the question is in China, because they come from the same source of strict discipline with irrigated crops, with relatively recent histories of peasants, And the question is whether they can deal with aspects that require a consciousness that sees itself as free, creative, undisciplined: I don't give a damn about how I have to dress, I am an individual fully free. Well, this appears too. in that historical process.

Fernando: I was listening to you and I was left thinking that one of the issues to also take into account Regarding the comparison between the reproduction of different labor forces from different national contexts. And I don't know how it was in the Soviet Union, I'm wondering now and I'd be interested in finding out, what part of the reproduction of labor power is contributed to in the wage And what part of it, their access comes through the status of citizens of the nation-state? directly. I don't know if in the Soviet Union everything was centralized, planned production, and carried out through public bodies, But that doesn't mean that part of it can't be included in the salary. And another part will come directly through the use of health and education. or whatever, without there having to be a monetary counterpart. And in that sense I have no doubt that the average reproduction of the American workforce It was superior to the Soviet one, but that caveat should also be made.

And thinking in that sense, and relating it to what you said at the beginning about it being a national sphere of capital accumulation, who encountered a huge mass of surplus population Once inside its territory, unlike in North America, what one has is a diversity of surplus population that was encountered in Soviet territory, in which he had to operate in a way... I don't know what he looked at. Franco said this in the case of Uzbekistan, but at least What I know is the Armenian case in the Central Asian or Middle Eastern region, What one gets is the image that the Soviet period was about the construction of large hospitals, of great schools, great recreation centers and great clubs, that didn't exist at all, absolutely nothing around the population that was previously occupying that territory.

JIC: Yes. Firstly, indeed, all those things were accessible by virtue of being a citizen. and they have such a weight that… The problem was always there. how to compare gross domestic product, and… What was it called in the Soviet Union? They don't call it "GDP," I think it was "material product" or... But the problem was this, which appeared, for example: housing. Housing is registered in the Soviet Union at the cost of construction, and in the United States it is recorded at the sale price of construction. The transport was free (I don't know if it's all free), education, housing... Anyway, What appeared was: the level of consumption, even having all those things, it was shorter than in the case of the United States. I mean: in the United States, among unionized factory workers. Back again, with the differences within that much more marked than in European countries, because The United States has its organized life largely based on racism. A country that has its population statistics categorized by race. It is an example of what racism means.

So, with all those caveats, what emerged was: there was a world of difference under the spending conditions which could be seen as “luxury” of one type of worker and of the other, of the worker European, from France, from northern Italy—not southern Italy—, from the worker English industrial or mining, of the United States, with respect to that of the Soviet Union. That the house was... Yes [306], but it was much more... Let's call it "precarious". I understand that education was universal and of a good standard. And well, and many of these issues that you raised, Fernando, just now… Recently, on an Argentinian news program, they interviewed someone who had lived in the Soviet Union. who was now living here, with the intention of showing the misfortunes of the Soviet Union and said: “I had a home, The club had I had my vacation coming up, and they kept asking me, 'Where do you want to go on vacation this year?'..." They didn't know how to stop her from making up stories about misfortunes and not the benefits I had received [Laughter].

We'd have to look into that. Now, back to the previous example: When it appears there will be a wage increase, so now we have to supply more wheat… Consumption levels should not be too high, in the sense of “Basic” needs met, but... Nothing more than that. And that's where the need for the most creative worker, who may stumble upon that condition, comes into play. […] And sorry, I'll add something else it says regarding forms of The awareness and... The export of Argentine wine to the Soviet Union was also raised at one point in the early eighties, late seventies, at a time when Argentine wine was not like it is today, but

[306] I imagine he means that it was free.

was what was called "common" table wine. in bulk, to reduce the consumption of white liquor [307]in the Soviet Union. And where there is a high consumption of white liquor is because there are problems regarding how the individual is viewed in addition, And why does he need, beyond the cold, the heavy consumption of alcohol? I don't know if you want to bring up anything else.

We'll leave this aside And we move forward, we resume the development that Marx is advancing. With this whole centralization thing, we had arrived at how centralization feeds into concentration, and how concentration feeds into... centralization, and how we had already left behind a process in which There was no change in the technical composition of capital, therefore there was no movement in the organic composition of capital, And we had gone in to see what was going on. with the relative growth of variable capital with respect to constant capital. And here Marx will always raise it with this additional question.

That growth... He's going to propose: This is relative; in absolute terms, may be increasing the amount, the magnitude of the variable capital. But at the same time, As he looks at this, what he's suggesting is: here, the incorporation of machinery displaces workers that never find a buyer again for its strength work (in what we had before): not only does the magnitude of variable capital decrease relatively, but it appears, relatively —because later it goes back to being as if it were not at all There may be more—, fewer workers. And this is something that will simply appear here, that when we get to volume 3 we'll see what role plays into the analysis: what there is an amount reduced total live labor. But well, having made that observation, we were finishing up, and I think in fact we had already finished, with section 2 of This chapter of the general law of accumulation capitalist. And the last thing that appears, what closes that point, is this proportional decrease in variable capital regarding the total capital, and how total capital is growing at an increasingly rapid pace regarding the growth of variable capital.

3. Progressive production of a relative surplus population or industrial reserve army

This brings us to point 3 [...]. So, what will appear is: Total capital grows, variable capital grows, Therefore, it grows the mass of force of work —which we should remember is what it refers to: The mass of working force is not synonymous with the quantity of employed workers, because that depends on the length of the workday—, it grows the mass of working force that is put into operation, But it says: it grows at a constantly decreasing rate. And then, what is implied in what follows… Because… […] what it will raise is what happens to the number of workers that will be absorbed, Considering here, given the duration of the working day, how is that mass of labor force distributed? in individuals. But what he's going to put is, he says:

[307]Alcoholic, apparently high proof (e.g., vodka), but I'm not sure.

> Now, to absorb a certain additional number of workers and even to retain their positions, given the constant metamorphosis of primitive capital, to those who already work, an *increasingly accelerated accumulation of capital* is required *total.*[308]

What he's going to add to this is: the development of accumulation and from centralization (which concluded the previous part) it multiplies the powers of capital, through change in the technical composition and, therefore, in the organic composition of capital, And that pushes down variable capital —and he will say— "[…] to make the constant increase" [309]. And here it no longer appears as a relative movement, but as a descent of variable capital so that it can increase… Something that was variable capital that becomes in capital constant. Therefore, there is a decrease in mass. of strength of the work she does… she already appears there as if she were absolute, The decrease in the demand for labor by capital. Well, and here I do this clarification.

Many years ago I started doing a series of exercises that I have here developed about proportions between rate of capital gains, composition organic… I don't remember how many other things. And consider an issue that, in principle, is not explicitly addressed by Marx. Because what's in place is this: so that it is always absorbed a given quantity additional workers, or even so that it remains the demand for the number of workers that there had initially been... And what I did was play in the analysis is: But there is a growth in the working-class population. And so, the issue is not simply the absorption of a certain, *always constant amount* of the workforce, but the The amount of labor force is growing. Because if it is a given quantity of labor force, then the variable capital is always the same. And here, too, variable capital It has to grow simply because the population size is growing. worker. So, I made a series of combinations for relative motion speeds of one thing and the other that Today I consider it... done "for nothing", so I'm going to skip it. in my development. Because I was looking for the point at which there is no capital growth that can sustain the demand for labor, however low it may be the "vegetative" growth of the working population.

Instead, what I would like to present to you is a summary. Marx's argument on this matter states: there is a relative decline in variable capital. which accelerates as the total capital grows, and which is presented as invested as if it were absolute growth, constant, of the working population, faster than the growth of variable capital. EITHER growth of constant capital, that is, the possibility of having means of production to employ that working population. And then, that's where Marx, having posed this, will synthesize saying that Population growth is not an absolute increase in population which leads to the multiplication of the surplus rural population, but rather the relative growth of variable capital regarding the movement of total capital. And that consequently, Capital has a surplus working population due to the way it grows variable capital with respect to total capital.

I don't know if anyone uses the FCE edition. None? Okay, then, José Luis, I'll make the clarification. The translation of cultural background, at least the old one, says:

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[308]Marx, K. (1977: 533), *Capital,* Volume 1. Mexico City: FCE.
[309] Ibid.

> […] But this growth is not constant, but *relative: Capitalist accumulation constantly produces, in proportion to its intensity and extent, an excessive working population for the average needs of capital exploitation* [...].[310]

That phrase "this growth is not constant, but *relative* " is nonsense. The correction to this is: Capitalist accumulation constantly produces, rather, a excessive working population for… etc. So he misspoke. Is: Capitalist accumulation constantly produces… […] I think that's how I got it from the 21st Century edition.

Edgardo: If you want, I'll read it.

JIC: Yes, yes, read it.

Edgardo:

> […] *Capitalist accumulation* constantly produces, rather, and precisely in proportion to its energy and its volume, a *relatively surplus working population,* that is, *excessive* for the *average needs of capital valorization* and therefore *superfluous*.[311]

JIC: Exactly. Well, that's why "this growth is not constant, but relative" is a phrase... Nothing, Roces made a mistake in the translation. There aren't too many of these in Volume 1, but then in Volume 3 there are… pull up. Is that clear?

Okay, I'll take how this is being summarized. Marx, and then I'm going to suggest (I suppose not today, but...) we look at a diagram with this issue. So, what is becoming clear is how the product of the workers' own labor They face them in the form of capital as a power that is foreign to them, and not simply as something that belongs to him to the capitalist and has to develop the production process under the command of the capitalist, but how capital becomes the subject immediate of the social life process and reverses the need for the production of use values for human life in need... What governs the movement, the production, is productive consumption of the workforce for the capital. And then, the alienation goes away showing in its fullness: not simply as we have viewed it until now, but in the fact that the workers produce, Under the form of capital production, the means to find oneself by denying oneself as subjects of production, as producers. I don't know if what I said was clear.

The alienation that one had been seeing up to this point It was reproduction as an attribute of capital. But it seemed to reproduce itself as an attribute of capital insofar as it was a need for the capital of force. of work to be consumed productively. And now what appears is that what the workers produce, the material product of the workers' labor, has a social form which makes the workers themselves surplus to the production process. So, what will appear is: the capitalist mode of production He makes them for the workers produce the means to be superfluous with respect to those means. And this, he says, is a peculiar population law, only own of the capitalist mode of production, a way of organizing the social

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[310] Ibid.

[311] Marx, K. (1988: 784), *Capital,* Book One, Vol. III. Mexico City: Siglo XXI.

life process where the direct producers What they create are the conditions to refuse to act as direct producers, to become in surplus for social production, and consequently for social consumption.

And now what's going to appear is: that population that It simply appeared as something that capital had in excess, it becomes in source for valorization, to enhance the movement of capital. And what he's going to propose is the industrial reserve army, that is available to capital as needed, and where it reappears how the worker, the working class, even outside the direct production process, It belongs to capital; it is an attribute of capital. And it says verbatim:

> It constitutes an *industrial reserve army,* an *available contingent,* that belongs to the capital in such an absolute way as if he were raised and maintained at his expense. It provides the human resources, always ready to be exploited as as required by their variable and independent operating needs, of the limits that he/she may impose the actual population increase.[312]

And so, here we have how far the working class is attribute of capital, even when capital deprives them of the possibility of selling their labor power. And what will emerge here, then, is a cyclical movement. in capital accumulation. But I propose we do two things. First, abandon the cyclical movement, Next time, let's start with that. Or rather... before the cyclical movement, look In short, with a series of graphs and analyzing the variables that enter formally in the generation of the surplus working population, This is an absolute necessity for capital. It's not a possibility within the general movement of capital; it's a necessity. simple capital: multiply that surplus working population. So, I propose we look at that, and then we look about cyclical forms, and then let's move on to looking at the different concrete forms which has this relative overpopulation. Do you want to suggest anything based on what we've seen so far? Yes, Javiera.

Javiera: I have a question. The idea of "relative", I have doubts about that. On the one hand, I wonder: is it relative because of the changing ratio of the working class between the active military and the reserve army, or is it relative because of the increase and decrease in the relative size of the surplus population?

JIC: No, it's relative because… The contrast is made between relative or absolute. It is not a problem of the absolute growth of the working population: It is a problem of the growing need for capital of workforce in relation to the population… even with a given working population (I will try to modify my graphs to be able to cover all of this). It is capital that claims to have too much of, It is not the movement of the working population that makes it superfluous, but it is superfluous in relation to the need for capital. And here another aspect appears.

Who is the subject of this process? This is the process of human life, And therefore, the subject is human beings; it is the process of human life. What now appears is that the specific subject is capital, and that for capital, relatively speaking, there is too much human life. And then it's not a problem that human life is just because, Because the population is growing so much: it's because capital

[312]Marx, K. (1977: 535), *Capital,* Volume 1. Mexico City: FCE.

says there's too much human life. The one who sets the conditions It is capital, And then this is what appears. Is that clear? I don't know if there's anything else...

That's why there's this observation that it has invested... it seems that the problem was that the population grew too much in absolute terms. And also, the whole discussion that had with Smith, Malthus, regarding what happens to the working population, It was absolute growth… In Smith there is relative growth of capital, because capital begins to grow more slowly, but at the same time There appears to be accelerated population growth. In Malthus it was purely and exclusively: it is a problem of the growing working class in absolute terms so that no amount of capital is enough. And what Marx is proposing is: capital is what makes that for *its* needs it has a surplus of working-class population, regardless of how the working population moves.

Javiera: Yes. I understood that, that it was for the needs of capital. In fact, that's precisely the phrase you clarified regarding Fondo de Cultura Económica. But... as it is a relationship, and there are several aspects that point 3 touches on, between the increase that is decreasing... I got confused by the multiple relationships listed in that section.

JIC: What happens is that, when it starts with the cyclical, the industrial reserve army appears as satisfying a need of the cyclical movement of capital. And then the concrete forms They will start appearing, There is no indication of... After that, it's unclear what happens... Yes, there is a reference to what capital does when it has too much of it; it's a very general reference: how capital regulates itself when it has too much of it. Just as it regulates whether it has too much, and if it has too little left over, the very movement of capital is what causes the industrial reserve army to grow rapidly. What happens next in the text is that it is mentioned when it is excessively superfluous. But it's not too much... It appears as part of what can happen. not as a necessarily growing movement, beyond any cyclical movement. And the development that we were accompanying, in Marx's words, what it entails is: beyond any cyclical movement, if there is a growth in the number of permanent workers, sooner or later there will be too many workers that capital can no longer take back.

So, first there is a development that leads to a surplus that it is not cyclical, that it is a trend surplus. And then, next, he appears looking as a cyclical movement. But the first development is: this inevitably leads to an ever-increasing multiplication of that surplus working population. And then it jumps to… Well: it's the industrial reserve army. But one might say: there comes a point when it no longer serves capital, if that working population It is superfluous to such an extent that it doesn't even... Let's see what source of enhanced accumulation it generates, beyond fluency; but there comes a point in what cannot find a buyer For its workforce, generation after generation, it no longer has a workforce, and then it no longer serves capital even as a reserve army of labor, because it does not serve as a force work.
That's where one has to look. There is a trend movement here. And if capital wants to reverse that trend, the way to do so is absolutely brutal: It is to annihilate the surplus working population. But anyway, we'll leave that for next time. [...].

[II]

Well, the last thing we were looking at was this generation of a surplus working population. Up to this point we had seen it as a general movement, a trend in the accumulation movement based on the production of relative surplus value, and the reflection it has, how this It takes shape through the increase in the organic composition of capital. So, first, if there are any questions from what we saw last time that you'd like to bring up beforehand... to get started; if not, with these graphs that I mentioned to you, which schematically reflect this movement. I don't know if there's anything...

So, let's look a synthesis of these determinations that Marx has been developing and how it arrives to that point at which What we have before us is a law specific historical context of the population in the capitalist mode of production. This refers to: the process of producing human life, the going generating a population that is left over from the point of view of how the production of life is organized in the capitalist mode of production in this society. If we start by looking the human life process, and how each cycle of the human life process is It organizes itself on the basis of how each member of society is assigned what useful, concrete work they are going to do. for others and what use values are produced by the work of others It will consume in order to reproduce itself as an individual organ of the social life process; here we find ourselves with a society where specific, immediate subject This objectified social relationship is what sets social production in motion. It is capital, And how, then, does this way of organizing human life develop as a negation of the one itself reproduction of human life. Therefore, the need for the generation of this population The surplus can be expressed schematically with what I am about to put [...].

This is how capital begets this overpopulation of workers relative. And then to summarize the whole development. What I have here is the factors that appear while playing, directly... They are the synthesis of the determinations inherent to the capitalist mode of production, but expressed simply as if they were the factors that play a role in the generation of this surplus working population.

Determinantes formales del crecimiento absoluto y relativo de la demanda de fuerza de trabajo con la acumulación de capital

Tasa de plusvalía: $p' = \frac{p}{v}$

Tasa de ganancia: $g' = \frac{p}{v+c}$

Composición orgánica: $co = \frac{c}{v}$

So, to look at it, the first thing one has to consider is how absolute and relative growth evolves of the demand for labor power as capital accumulation develops. And those three factors are: the capital gains rate (we know the surplus value in

relation to variable capital), because the rate of surplus value determines the capacity of capital to accumulate. The second factor is the rate of profit, because that's the one that summarizes the capacity of capital to appreciate, not simply with the part of capital that is capable of producing surplus value but with the total mass of capital. When we were watching the last chapter of the section on absolute capital gains, This *formal expression appeared* of the capacity of capital to appreciate. The expression, so to speak, "real", is the rate of surplus value, because the only part of capital The one that has that capacity is variable capital. But formally, the possibility of accumulation, the proportion in which capital can be accumulated, it is given by the rate of profit (which is the ratio between surplus value and total capital, variable plus constant) discounting the portion that goes to the individual consumption of the capitalists. For the entire scheme I am going to use, I disregard that portion and consider the entire surplus value. outside the one destined for accumulation. And the third element that plays a role in the determination what will happen to the demand for labor as accumulation develops It is the organic composition: what weight does constant capital have in relation to variable capital.

Marx argues that this surplus working-class population would be generated even if the working-class population always grew in a fixed amount —which means: a proportion getting smaller and smaller—even at a decreasing rate of growth, or even if it remained constant the number of workers, the working population. What Marx is trying to emphasize in that statement is: this is not a problem of absolute growth of the working population, but it is a problem of growth relative of the working population versus the growth of variable capital, that is, the need for capital for labor power.

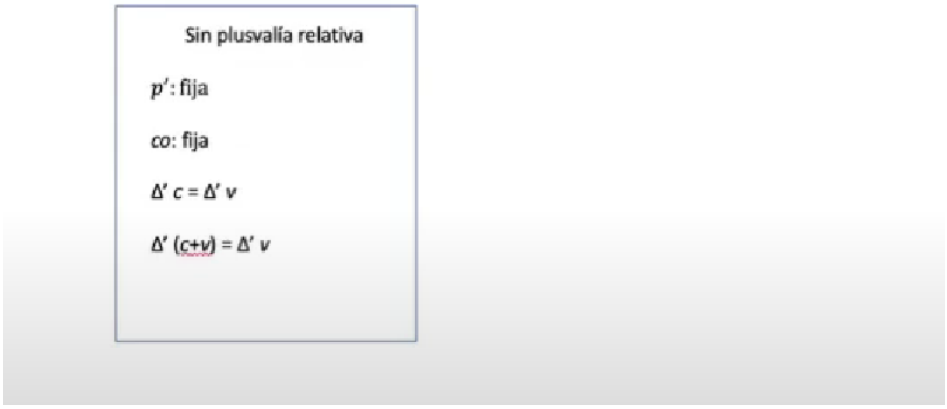
The problem with this, which I mentioned before we started recording, If one is going to assume a given working-class population, if it starts from the premise that that working population is busy, The problem is that capital would only have these workers to feed themselves. And if the number of workers decreases, consequently, because that number is given and begins to decrease, as the organic composition of capital grows and the surplus value generated must be applied to a larger proportion of constant capital relative to variable capital, The problem that arises is that if variable capital decreases, then variable capital decreases. the mass of surplus value and will decrease the rate of profit. So how will that accumulation be sustained? And the same applies if a fixed magnitude is used: implies a decreasing rate, which is decreasing the growth of the working population in relation to the growth of capital. And then, this problem also appears. of It would be necessary to explain why that working-class population is growing proportionally less and less. and where does the source come from? the possibility of producing additional surplus value in proportion, or in relation to the increase in capital.

So, what I do is First, let's look at what happens with these factors. regardless of what happens to the working population, assuming there is a working population available for capital, and that consequently, The first thing here is that the working population is given as having a given growth rate, it grows in proportion to the magnitude it is reaching. But the first thing we're going to analyze... We'll leave the first step we're going to take: The proportion at which the working-class

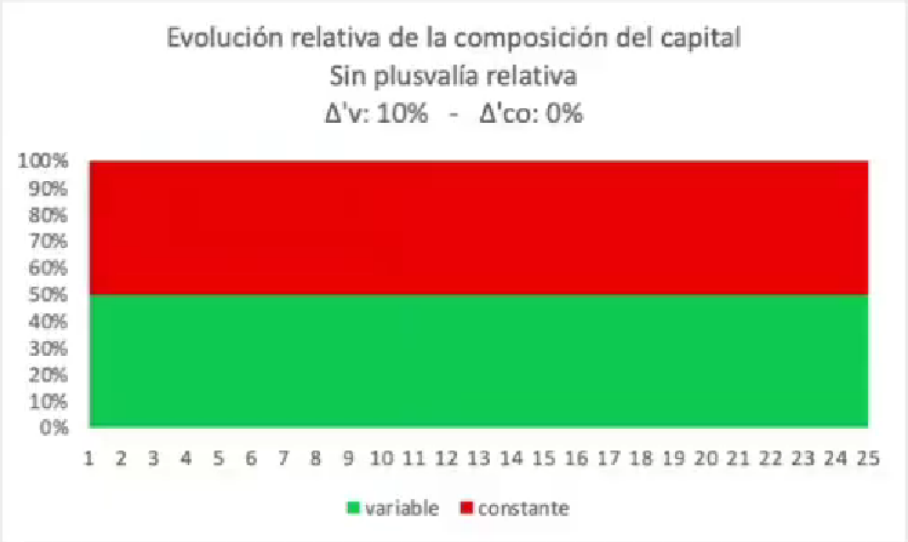
population is growing is left aside, and We're going to look at it first from the point of view of what happens with Variable capital, constant capital, with the organic composition of capital, and then we'll look at it So, what is it about? The condition for the working population to find buyers for their labor. Well, I don't know if this is clear, but I'll start with that.

We already saw in the development [of Marx] that he first looks at accumulation without changing the technical composition of capital, And then look at the accumulation with the growth of the organic composition as a reflection of the fact that what governs the movement of social production is the multiplication of the capacity that variable capital has to valorize itself: the multiplication of the rate of surplus value, the production of relative surplus value. So, the first step we're going to take, We're not going to look... we're going to do the same thing Marx did, looking at what would happen to the demand for labor power. if there were no production of relative surplus value. The conditions for the population... Sorry, let me rephrase: they are the formal determinants of the evolution of the demand for labor as capital accumulation develops without relative capital gains, They are summarized in this table:

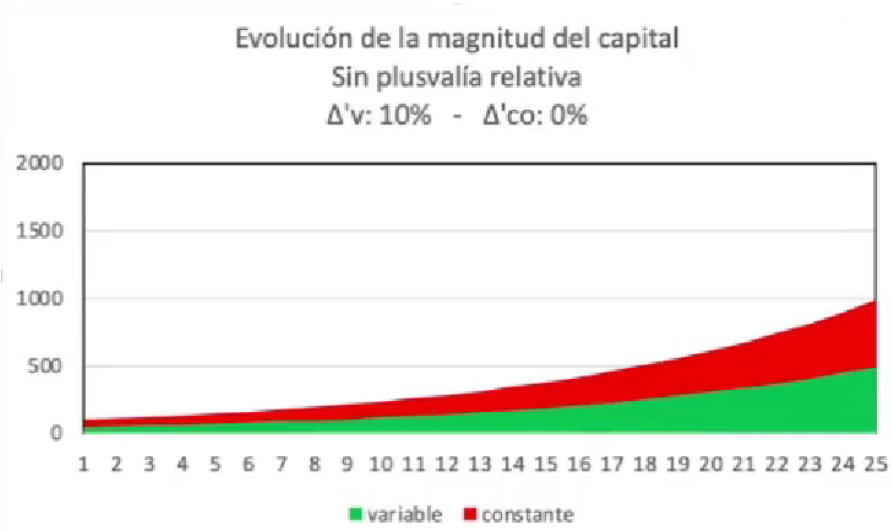
Determinantes formales del crecimiento absoluto y relativo de la demenda de fuerza de trabajo con la acumulación de capital



First, the rate of surplus value is fixed because there is no change in the technical composition of capital. The organic composition is fixed, it is given. And then, What's going to happen is that constant capital It will grow in the same proportion as variable capital grows. If the capital is constant It doubles, the variable capital also doubles because they are the technical bases which are given at the starting point. And this implies at the same time that the rate of growth of total capital It is the same as the growth rate of variable capital. So these are the conditions that correspond to how it evolves the demand of labor power — meaning: how variable capital evolves— if there were no technical change governed by production of relative surplus value. Did you understand this? What does each of these elements here mean? I don't see them, so I can't know if... [Several participants say yes] So, the first thing we're going to look at is what happens relatively with the evolution of constant capital with respect to variable capital.



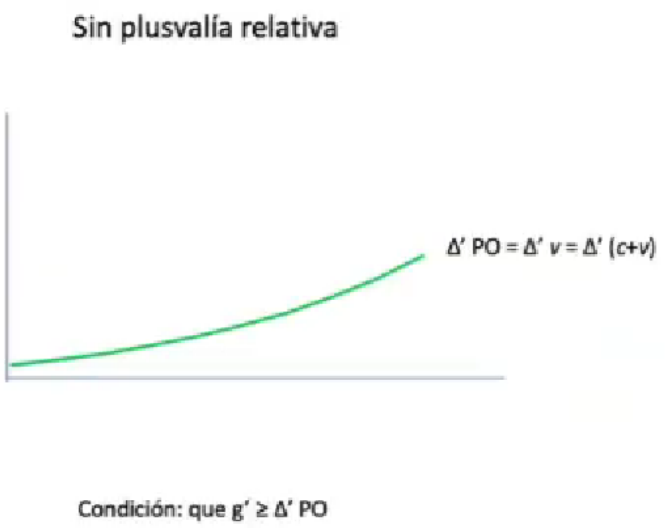
It's an example that is deployed over 25 periods, simply to take this expression, and arbitrarily starting from an organic composition of capital that is "1": Constant capital has the same magnitude as variable capital. Let's assume that the growth rate of variable capital [Δ'v] is 10%. annual or per period, and The growth rate of the organic composition [Δ ' co] is 0%. The result, over the period we are considering, The organic composition does not change: the relative composition of capital remains constant; if we are taking how it is distributed each of these two parts within the total capital and always the total capital is the 100%. From this relative evolution, what we are going to do is look at it In absolute terms, what was happening with the two capitals [313].


Evolución de la magnitud del capital
Sin plusvalía relativa
Δ'v: 10% - Δ'co: 0%
2000
1500
1000
500
0
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25
variable
constante

[...] We start from a capital where the variable capital It grows 10% annually (so the demand for labor grows 10% annually) and constant capital, since the organic composition is always the same, also grows at 10%. annual. The organic composition remains the same in the end [in both schemes], and here [current scheme] the magnitude of the two portions of capital increased in the same proportion. When one looks, then, the condition for a working population that

[313]This slide incorrectly stated "With relative surplus value", I have left the corrected version.

grows at a certain rate to be able to produce relative surplus value without production of surplus value always find buyer for your workforce, is synthesized in this chart:



If the rate of profit, assuming that all the surplus value is converted into new capital, it is, at the very least, equal. that the growth of the working population (Now let's see what happens when it is *greater* than the growth of the working population), so, the capital total can grow at the same speed with which that working population grows. Variable capital grows at that rate and the working population always finds a buyer for its labor power. What is Marx suggesting when he looks at this situation of accumulation without relative surplus value? It is possible that the rate of capital growth be superior at the speed at which it grows the labor supply. In this case, at the rate at which the working population grows. In which case, What will happen is that there will be a shortage of the working population, like any commodity that is in short supply. It will be sold above its value. And if the speed of growth of capital, because its rate of profit is so much higher than the growth rate of the working population, labor power will be sold more and more above its value until, apparently, a point could be reached where all the surplus value is absorbed because of the price of labor. And then fantasy appears. about what In the absence of technical change, this situation could occur. and overcome the mode of production in this way capitalist: that all surplus value be converted into wages. And what Marx develops next is: the the very law of capital accumulation It will be presented on the side of... If labor power is sold above its value, the rate of profit will decrease; the decline in the rate of profit slows the rate of accumulation; and that movement it's going to end bringing the situation back to where it was, to the payment of the workforce for its value.

So, I'm asking up to this point, if this is clear. I didn't emphasize this explanation much: the rate of profit as measured the speed at which capital can grow. I include it for this reason: considering that all surplus value is converted into new capital, If the rate of profit is 10% on capital, That capital can grow by 10%. If the rate of profit is 20% and all of its surplus value is converted into new capital, it can grow by 20%. So, up to this point, I'm asking if there's anything for clarify, return, discuss. […] Is there anything you'd like to bring up in this so far?

Javiera: Juan, can you turn the power back on? There in the fifth slide [“Evolution of the magnitude of capital”], perhaps I didn't understand, shouldn't variable capital be greater there?

JIC: Variable capital is growing by 10% per period. Since what is implied in this is: since the organic composition is always the same, This means that constant capital is also growing by 10%. for the period. I'm not clear on what the doubt is.

Javiera: I'm kind of lost at what point in Marx's development she fits in there. Because what he starts talking about at the beginning is that there is indeed a growing distance between them...

JIC: Let's see if I can follow you. This is considered normal. of the sale of labor power always for its value. The possibility that labor power would be sold above its value because there is a shortage of workers this... The very laws of accumulation They return it to normal. Capital begins to grow more slowly And then, if one is assuming a given growth in the working population, What's going to start happening is that there's going to be a surplus. workforce And then it will return to the sale of labor power for its value.

Therefore, what is shown here [slide “Without relative surplus value”] is: If the rate of profit equals the rate at which it grows—and it all accumulated, never There would be neither a surplus nor a shortage of working-class population. If the rate of profit were lower than the rate at which the working population grows without technological change, So there would be a question there. truly originated due to the growth rate of the working population. It wouldn't be that what's happening is that capital... In other words, capital would grow too slowly relative to the growth of the working population. But what we're going to see next is how capital, necessarily—no matter how fast the working population grows—, It will generate a working-class population spare. I don't know if there are any left.

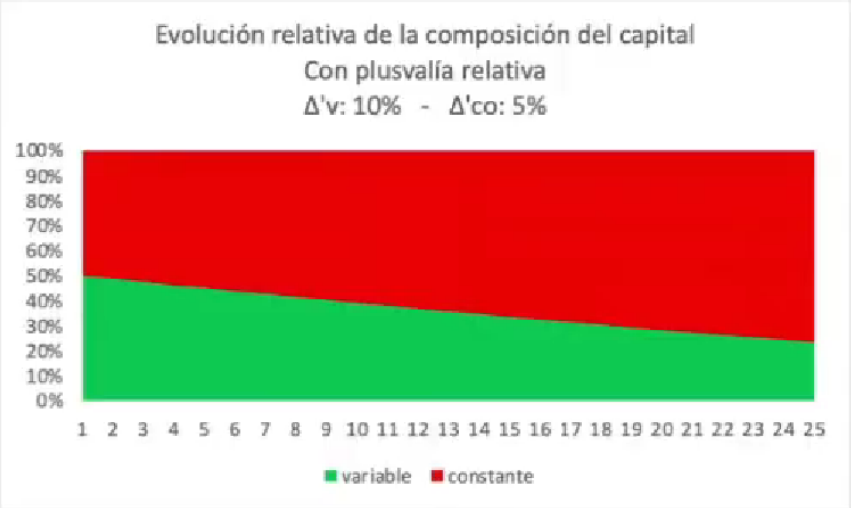
Javiera: Yes, yes.

Let's move on to the situation of production of relative surplus value And we return, above all this, in the contrast of the two situations.

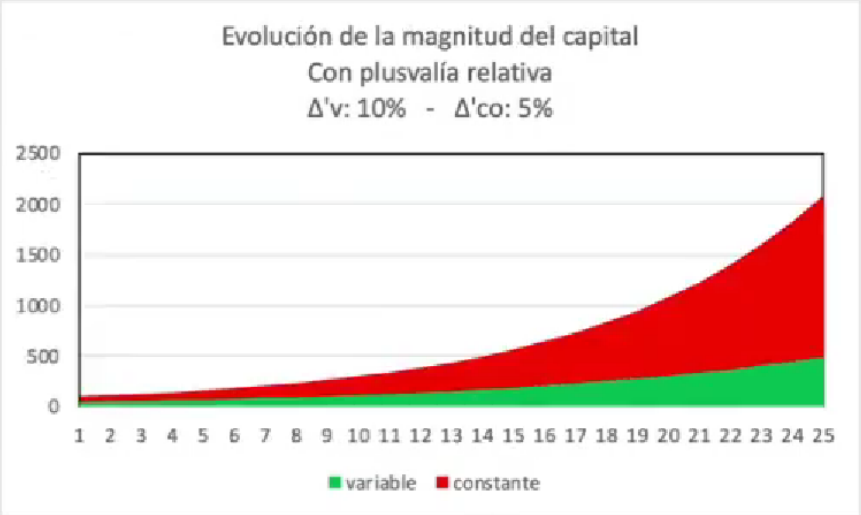
Determinantes formales del crecimiento absoluto y relativo de la demenda de fuerza de trabajo con la acumulación de capital

Sin plusvalía relativa	Con plusvalía relativa
p': fija	p': creciente
co: fija	co: creciente
$\Delta' c = \Delta' v$	$\Delta' c > \Delta' v$
$\Delta' (c+v) = \Delta' v$	$\Delta' (c+v) > \Delta' v$
	$\Delta' (c+v) < \Delta' c$

Well, without relative surplus value, as we had seen, it was: fixed rate of surplus value. And here [with relative surplus value] there is an increasing rate of surplus value because it increases labor productivity; that increase in labor productivity in terms of This is reflected in the determination of the value of the workers' means of subsistence, implying a decrease in the value of labor power, an increase of the capital gains tax rate. The organic composition of capital is increasing Because to increase labor productivity, machinery must be incorporated, And because labor productivity increases, constant capital invested in raw materials grows faster than variable capital. And now, the growth rate of constant capital is no longer equal to the growth rate of variable capital, but it is greater because of what I just mentioned: constant capital position in the machinery grows at the expense of variable capital In relative terms, let's put it in absolute terms: it grows at the expense of the growth of variable capital... In general terms, there was this thing that Marx suggests, that at times there is an absolute decrease, but at the same time there is a growth in the mass of variable capital. And that, consequently, the total capital, constant + variable capital, It grows faster than variable capital, and that the total capital, as it has the component of constant capital which pulls it up, but the variable capital component makes it grow more slowly, grows more slowly than constant capital. And then, with these formal determinants, What about the composition organic capital in relative terms?



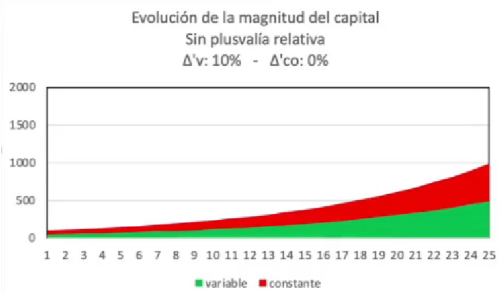
It starts at 1:1, as we had before. Now: Variable capital continues to grow at 10% and the organic composition It grows at 5% annually. Both pieces of information are arbitrary, and... First, I had done it with 10% annually in the organic composition, But the graphics were out of scale and couldn't be seen. the comparisons, that's why I arbitrarily put 5%. Even with a growth rate lower of the organic composition, Let's see the effect this has. So, each time, If one were to leave the total capital constant, such as 100, the variable capital would become an increasingly smaller part. of the total capital. And this, in absolute terms, will be reflected in this way:



For variable capital can grow at 10% annually, the same thing that grew there [314], and I reached the same level as I reached there, if here the total capital, the sum of the two, was multiplied by 10, because down here it is 100, and it reached 1000, now, in order to sustain a 10% growth in demand for labor, The total capital has to reach something over 2000. Why? Because constant capital It is growing rapidly, along with the increase in organic composition, And then, constant capital grows more than if here [slide above] it went from 100 to 2000, constant capital passed of 50 to what is here [far right], which I don't dare to calculate. But does this situation make sense? This reflects the fastest constant capital growth than the growth of variable capital. And how, to sustain the growth of variable capital, constant capital has to to grow faster and faster. Is that clear?

Javiera: Yes. Hey, Juan, but the graph on slide 5 is of absolute surplus value, then.

JIC: The one in 5 is only with absolute surplus value.


Evolución de la magnitud del capital
Sin plusvalía relativa
Δ'v: 10% - Δ'co: 0%
2000
1500
1000
500
0
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25
variable
constante

314

Javiera: Ah, you see, that's why I was confused, because it says "with relative", that's why I asked you that question.

JIC: No, no, that's why there's no change in the organic composition here.

Javiera Dale, that's absolutely right, then. That's why I asked you, why isn't the distance being shown?

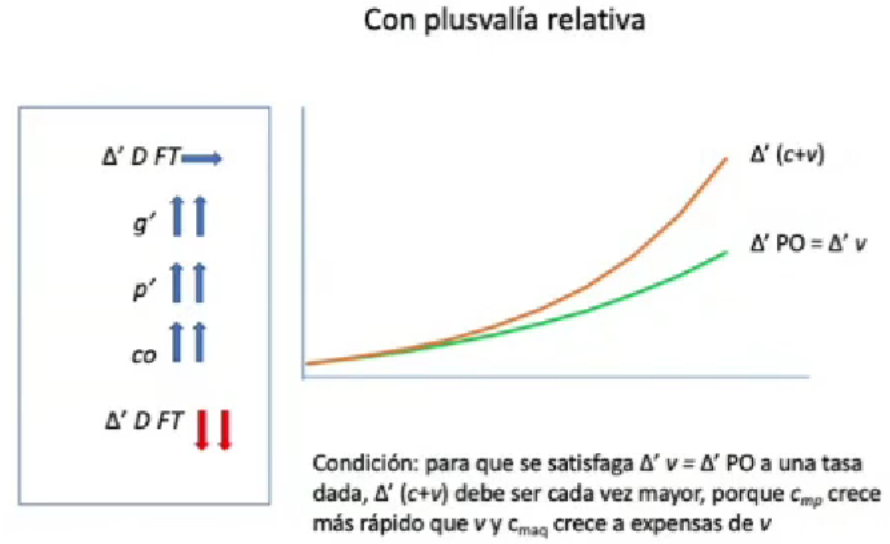
JIC: No, and the title is wrong. Because I made them, I redid them, I lost the file halfway through.... Wait, I'll fix it now, so I don't... [...] So, [...] this is the contrast with that evolution. To sustain a growth or a constant level of demand for labor with the increase in the organic composition of capital, with the increase in the technical composition of capital governed by the production of relative surplus value, Capital has to grow rapidly. The total capital, because a part of it is getting larger and larger, is constant, in order to sustain a variable capital or a given growth in variable capital, Constant capital has to grow much faster than variable capital. And then, here we spent to the same relative situation we had here without relative surplus value [315], which was: since total capital grows at the same rate as variable capital, the demand for labor can grow at a rate Dadaist, which does correspond to The rate of growth of total capital will always be found buyer for that workforce.

Con plusvalía relativa
Δ' (c+v)
Δ' PO = Δ' v
Condición: para que se satisfaga Δ' v = Δ' PO a una tasa dada, Δ' (c+v) debe ser cada vez mayor, porque c_{equ} crece más rápido que v y c_{maq} crece a expensas de v

315 Condición: que g' ≥ Δ' PO

And yet, in the production of relative surplus value, The condition for the growth of variable capital to keep pace with the growth of the labor supply at a given rate is that the speed at which total capital grows It has to get bigger and bigger. Because the constant capital invested in raw materials It grows faster than variable capital, and the constant capital invested in machinery grows at the expense of variable capital. Therefore, it appears that only under this condition can demand be sustained. of strength and work. Here compared to a given growth in the working population (I couldn't find a way to express it graphically, But it can be done, it should be possible to do it with a working population that is fixed).

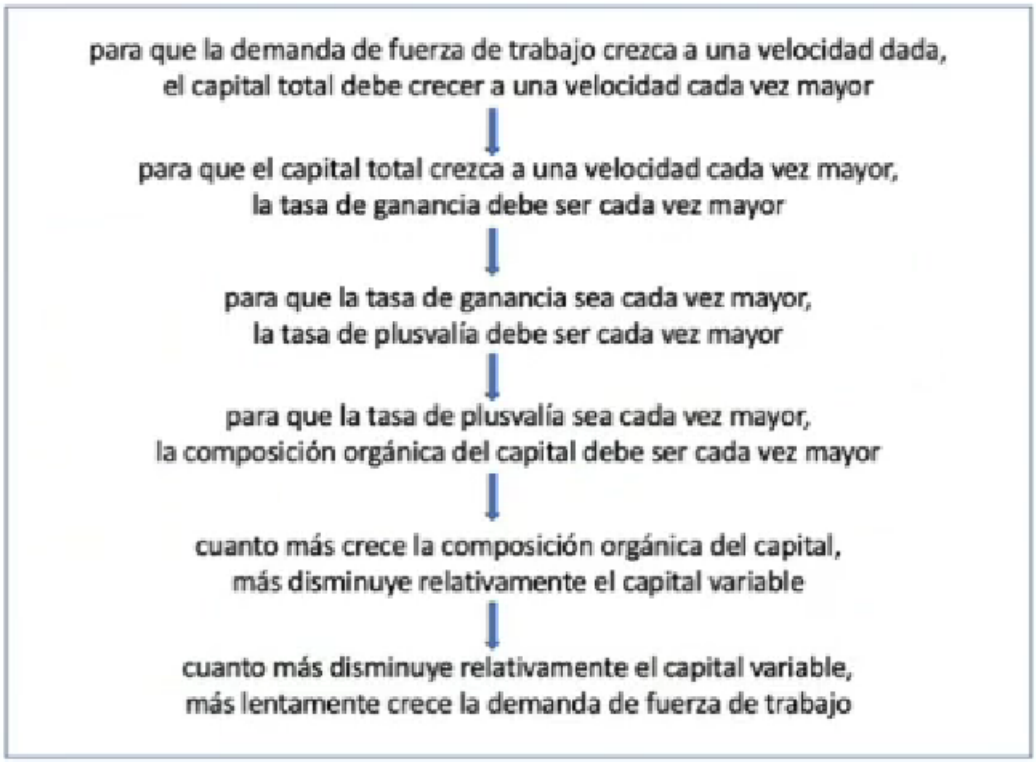
These are the conditions under which the working population can find buyers for their labor. work, so that there is no surplus relative to the needs that capital has for that labor force: total capital has to grow faster and faster. And then, here this goes to appear So.


Con plusvalía relativa
Δ' D FT
g'
p'
co
Δ' D FT
Δ' (c+v)
Δ' PO = Δ' v
Condición: para que se satisfaga Δ' v = Δ' PO a una tasa dada, Δ' (c+v) debe ser cada vez mayor, porque c_{mp} crece más rápido que v y c_{maq} crece a expensas de v

So that the speed at which the demand for labor grows remains constant, always grow at a given rate (that is always represented by the horizontal arrow), total capital needs to grow faster and faster. For total capital to grow ever faster, the rate of profit has to get ever higher: there has to be a proportion of surplus value available for accumulation increasingly higher in relation to total capital. In order for the profit rate to become increasingly higher, The rate of surplus value needs to rise, to be increasingly higher, because with a multiplied rate of surplus value, the rate of profit will grow. For the rate of capital gain to become increasingly higher, The organic composition of capital must be increasingly higher. To increase labor productivity, machinery needs to be incorporated [...].

We have that in order for the rate of surplus value to be increasingly higher, the organic composition of capital needs to be increasingly higher. And what happens when the organic composition of capital grows? This negatively affects the demand for labor, because a larger part of that surplus value that Under the previous technical conditions, it would have gone to buy labor power (it would have become variable capital) now it becomes constant capital. And consequently, The increase

in organic composition pulls down the demand for labor. So how do you offset this downward pull to sustain the growth in demand for strength? work? The profit rate needs to grow even more. For this, it is necessary that the capital gains rate grow even more, which is conditional upon the organic composition of capital growing even further, And that just pulls it down even more. the demand for force work. This summarizes what I just said, So I'll leave it there for the record, but I'm not going to read it:


para que la demanda de fuerza de trabajo crezca a una velocidad dada,
el capital total debe crecer a una velocidad cada vez mayor
para que el capital total crezca a una velocidad cada vez mayor,
la tasa de ganancia debe ser cada vez mayor
para que la tasa de ganancia sea cada vez mayor,
la tasa de plusvalía debe ser cada vez mayor
para que la tasa de plusvalía sea cada vez mayor,
la composición orgánica del capital debe ser cada vez mayor
cuanto más crece la composición orgánica del capital,
más disminuye relativamente el capital variable
cuanto más disminuye relativamente el capital variable,
más lentamente crece la demanda de fuerza de trabajo

The conclusion of this It is precisely that, inevitably, the accumulation of capital This population is generated surplus workers, this relative overpopulation of workers for capital needs. It is the very mechanics of the movement of capital accumulation the one that generates overpopulation relative.

Me, for To come back to all this later, I always use this example, which is the most commonplace. I have a water tank. The water is coming in from above, But it turns out that at the bottom, the tank has a hole through which the water escapes. So, in order to keep the tank full, I need to increase the water flow from above. But this increased flow of water from above makes the hole below bigger. then the water It comes out faster. So, I have to increase the inlet flow rate even more. And that makes the outlet hole bigger and the water comes out faster. That tank will never be able to be full, it will not be able to stay full because the same thing that fills it is what empties it. And we have the same thing here then in the movement of the capital's needs for labor power: the same thing that would increase the capital's need for labor power That's what makes it decrease. Was this followed?

This is, simply put, schematically, to reflect, to synthesize the Marx's explanation of the need for capital to generate this relative overpopulation of workers, with the

character of a trend. And now let's look at the other development he's making. But… Edgardo, I don't know how much of this you were able to follow...

Edgardo: Okay, okay, that graph you showed at the end It is a summary of the entire argument. What I'm still unsure about is... In other words, the tendency towards the existence of this relative overpopulation of workers is clear to me. But that trend itself has cycles.

JIC: This is what we would look at now. Because Marx, in the first step, presents it as a tendency, and then It presents... Why does it appear first in one form and then in the other? Because, so to speak, the essence of determination It is this movement of generating a surplus working population. But what will then appear is: what capital generates, in reality, is fueling its accumulation. It would seem, when one looks at it as a trend: well, there is a surplus working population and capital left it aside and went its way. And now the first thing that appears is: in reality, what is left over is useful to capital (it cannot use them because it has too much of them). and yet it works for him) for multiply its accumulation capacity and to make it more fluid its accumulation, which multiplies the capacity. So: it first appears as a result, and then appears as condition, so to speak, as a basis for its own capital accumulation. I don't know if they want to bring up anything else before moving on to that.

Javiera: Yes, I have the doubt, maybe I missed it. But at this stage of development... Will the rate of profit issue appear?

JIC: No.

Javiera: Oh, okay, it's just that I wanted to ask why... Like, you put it on and I said, "What happened?"

JIC: The reason… there are two things at play here. In order to see the speed at which capital accumulates, We need to look at the profit rate. And see why. the increase in organic composition, if one simply assumes that the rate of surplus value increases, The organic composition increases, lack What determines the capacity of total capital to accumulate? Because There is only the capital gains rate In relation to variable capital, the organic composition affects the capacity of total capital to accumulate twice over, because it raises the rate of surplus value, but it also raises the weight of constant capital, though it doesn't measure how much this affects it. So, at least for the form of development I wanted to pursue, I need to appeal to the rate of profit (without talking about any trend or anything about the rate of profit, this simply measures the evolution for me).

Why can I appeal to the rate of profit? without compromising the coherence of the development? Because the formal reference to the rate of profit comes earlier, when measuring how capital is valued, and well, one had up to that point the appreciation measured by the capital gains rate, and this formal relationship appears what is the rate of profit. So, partly due to the need for the exhibition, partly due to the excuse that it was already in place before, I appeal to be able to set the rate profit. Otherwise, I can't build. that development scheme of What

happens to a component, how does one play multiplying, sustaining the demand for labor power, why capital has to accumulate, what measures that total capital has to grow faster and faster… And what that measures is what happens to the profit rate, because that's what enables ever-faster growth of the total capital.

Javiera: So —to conclude the argument—, we are understanding it based on that formal reference as the total profits of the… that is… How are we understanding it?

JIC: As the relationship between surplus value and total capital that is necessary to advance in order to generate that added value. That's the relationship. I'll add, I think it's clear: Here we are looking at the movement of the total capital of society.

Okay, so let's talk about the role it plays in feeding the accumulation of capital. The first thing that will appear is this industrial reserve army. that allows capital to satisfy that need that when we saw the organic unity of the general social relationship, when we start from: this is a relationship between people that has the form of no relationship between people, and we arrive at the relationship among other things already the people as personifications of those things, the commodities, and we saw the antagonistic relationship between capitalist and worker, What Marx developed regarding the length of the working day, we appeal to the need for capital to have a workforce available so that the flow is not interrupted from accumulation. But we presented it as a necessity that developed in the form of class struggle, etc.

What we have in front of us now is the concrete form through which capital It satisfies this need, and the concrete way in which it does so is through the creation of this army. industrial backup. And this is where Marx will raise the character cyclic, where it will refer to a ten-year cycle. Then they appear cycles of a different nature, but Yes, indeed, there is a ten-year cycle that he will call the "industrial cycle". where it takes place rapidly accumulating, Production expands, and then suddenly it begins to stagnate; there is excess production. All of that development requires having of this industrial reserve army, which makes it an industrial army active. And the moments that follow, where The contraction is coming; they are going to regenerate the industrial reserve army. Marx will make a reference to this cycle saying that it was not known in earlier times of humanity, and associates it with the development of modern industry, where the development of machinery plays a central role. When one makes the calculation using certain indicators, it is true that the mechanism, the reason, is inherent to the capitalist mode of production. but they go back quite far in the development of the capitalist mode of production These movements last approximately 10 years. Marx doesn't offer an explanation here as to why 10 years; he's simply observing a specific manifestation. of the development of accumulation.

So, What it will propose is: in contrast to what was happening when The absence of relative surplus value production was observed (then, the absence of change in the technical composition of capital), what appeared The fact is that capital had to wait when it expanded. until the working population, for selling labor power above its value because it was lacking, would multiply rapidly, and then the time would come when It had the additional workers available. And after

looking at that in that chapter, what it's going to say is: if capital had to depend on this, it couldn't function. What now appears is how capital It does not need to depend on what happens to the mass of the working population for respond to their needs to hire more workers or to reduce the number of workers.

If we looked at the situation without relative surplus value, how could it be adjusted? the need for capital What we saw among the workers was this: If labor power is sold above its value, The accumulation slows down. And I missed in the previous part the points of: when labor power is sold under good conditions, the working population grows. Now, when we look at this, there is one element that is key in the flow of the labor supply, which does not depend on what happens with growth of the working population. When, if by some circumstance, in that phase of expansion that Marx proposes where The demand for labor is growing and it can even run out the industrial reserve army (or almost exhausted, because it never runs out), Wages rise, which decreases the rate of profit and slows down accumulation. But the new determinant that appears here is something we saw when we looked at what happens with the relationship between the worker's wage and the incorporation of machinery.

And what we had seen is that, like the capitalist limit to the incorporation of machinery The dead labor that is added must be less than the paid living labor that is saved; the higher the wages, the easier it is to incorporate machinery. Because it's easier to get develop machinery that It does not incorporate as much dead labor, which does not incorporate as much constant capital. to the value of each unit produced, which incorporate, develop a machine that incorporates less value than that of each unit produced. That is: It's easier to incorporate a machine that—let's put it this way—doubles labor productivity. and add 10 to the value of each unit, to develop a machine that doubles labor productivity and just add 5 to the value of each unit of product. And so, the higher the wage, the easier it is to substitute living labor for dead labor. Incorporate a machine that adds a certain magnitude, a certain constant capital consumed to the value of each unit of commodity, and save a larger amount live-work pay. I ended up making a hodgepodge… Did you understand? If you're patient, let's look at what we had regarding the capitalist limit to the incorporation of machinery.

I'm going to share the screen. This is what we had […] [316]. So, now going back to what we're looking at now, The more expensive the workforce, It is easier to incorporate machinery. And then, at the peak of the expansion cycle movement, when the demand for labor increases, and This may imply that the industrial reserve army is exhausted and the workforce start paying above the value, This increased cost of labor not only pulls things down the surplus value and, therefore, the the potential that capital has to grow, but it also makes it easier incorporate machinery. And the incorporation of machinery frees up labor power. So, what Marx is going to propose there is: Capital doesn't have to wait for the working population to grow, incorporates more machinery encouraged by The relative

[316]I skip the entire explanation that repeats what we already saw in session 41 about the capitalist limit to the incorporation of machinery and continue with the conclusion linked to the development of the surplus working population.

scarcity of labor makes it easier to incorporate machinery. and makes it grow or replenishes the industrial reserve army.

[...] When we talk about capital's need for a surplus of labor, We made a reference, which at that time we didn't call the "reserve army of labor," but which we do now. We can call him by his name. And that reference is the following. We had mentioned the unemployment rate It is a measurement of what we now have as the surplus working population, as an industrial reserve army. When the unemployment rate falls below 3%, sometimes even of 4%, it is said that capital lacks workers, that it lacks supply of labor force. And when one says "4% unemployment rate", what he's saying because capital has too much. 4% of the workforce. Well: that surplus relative to 4% for capital is insufficient, It begins to appear as a barrier to accumulation. So, what this will show is that capital never runs out. to the industrial reserve army; before it is exhausted, the same mechanisms of the accumulation movement which slow down the accumulation because it is decreasing the available surplus and facilitate the incorporation of machinery, accelerate the incorporation of machinery, and ensure its replenishment. the normality of the industrial reserve army, which is above that statistical measurement, above that 3-4% criterion (The 3-4% figure hasn't existed for many years, but anyway). So we have this capital movement with which is the capital the one that regulates the industrial reserve army.

And Marx is going to make an observation here that It is a mechanical character of the determination. And what he's going to say is: this ten-year cycle begins, and that periodicity in itself engenders a movement continuous of a cyclical nature. Mechanically, the fact of having started with a process of these characteristics... I say: the first cycle This causes this to continue. a cyclical movement, something that It is... Actually, the determination at stake goes beyond that of mechanical repetition of the cycle. Marx will say: this, which is the effect, becomes the cause. The effect is a cyclical movement; it becomes the cause of itself. Oh well, This observation, and the observation that even political economy He realizes that this movement exists and that the presence of the industrial reserve army is a condition for reproduction of the capital accumulation process. Did anyone want to ask something?

Javiera: I have a question, but I think someone beat me to it. I think it would be better addressed later when we see the types of surplus population, but I'll throw it out there anyway. Because it was based on what you were saying before, that capital always has a mass of population waiting there, kind of latent, and I was thinking about this in the countryside, how it often happens that [...] the typical claim from capital that there is a lack of labor in the countryside, And it has historically been said that there is always a latent population in the countryside. So, that movement that doesn't... kind of catches my attention. How can there be a shortage if there's a workforce always available?

JIC: I would say that we'll look at it when we look at the issue of the surplus latent population, and then we'll stop to consider that. Yes, with this observation: There are times when the population The surplus decreases substantially during those boom times, decreases substantially. And it can happen so that there is no

latent surplus population, that is absorbed. And in fact, in the case of Argentine history, there are moments when there are indeed areas, If not the entire country, then some areas, lacking a surplus population, are absorbed. But we'll look at that when we get to the specific case of the surplus population.

I'd like to add one more thing regarding political forms. in that movement of character cyclic. Let's assume that [...] we are in the expansion phase, and the data that appears is that the workforce begins to be sold above its value. When that movement occurs, the two opposing movements of capital are: the accumulation slows down, it accelerates the substitution of living labor for dead labor; this generates a growth in the working population spare, which translates into increased competition among workers to sell their labor power, the fall in wages and the sale of labor power below its value. Now Selling labor power below its value has the opposite effect of what we just saw: Since labor power is sold below its value, this releases surplus value. This stops and the accumulation accelerates. And since labor has become relatively cheaper, That makes it slower, more difficult, the substitution of living labor for dead labor. Then, the The movement of workers due to the machinery becomes slower.

When, on that double basis, a new phase of expansion of capital accumulation begins, It's being sold below value, and demand is starting to grow for labor... That's the moment in which the trade union organizations of the working class (and political organizations as soon as this issue arises) appear to have strength because they are expressing something that corresponds to the movement of capital. Capital needs more labor And that's what will give it strength to the trade union organization of the working class. That strength that the union organization has is what sprouts of the movement of capital and will appear to be reflected as if it had simply sprouted of the action union in the increase of wages, in improving sales conditions of the workforce.

When the opposite phase occurs, what happens is that there is a surplus of labor force, Competition intensifies among workers to sell their labor power individually, And that takes a political form of the loss of strength of the trade union organization of the working class. That loss of strength This will be reflected, expressed in the fall in wages, until the new phase opens. So, when one wants to answer why the trade union organization of the working class It has moments in which It has strength and moments when it has no strength, That explanation must be sought in what is happening with the cyclical movement. of capital accumulation. I mean, when one wants to ask about the cyclical fluctuations of the workforce, There are other factors that transcend this cyclical movement, But I think it's important to emphasize this. I don't know if it's clear, if they agree, if they disagree...

Javiera: Yes, I imagine that, for example, you were referring to what happened, an example that you also give, What happens to the English with Thatcher, when they're there in the middle of a strike and... And then Thatcher comes along and falls.

JIC: Yes, it's part of a cyclical movement that transcends this 10-year period; it corresponds to a phase of a cyclical movement much sharper and much broader in time than 10 years. But that's it.

Javiera: But wait: when you say "movements," that we have to look at the cyclical movement of capital accumulation, What are you referring to?

JIC: I'm going to take it into account in this movement in Argentina (I don't know if I'm replying), during the 21st century, with the peculiarity that the accumulation of capital has in Argentina or whatever. What is happening with a cycle that is expressing a crisis in capital accumulation? Late 1990s and early 2000s. There was a surplus of labor, and the unemployment rate was high. The underemployment rate rises to nearly 25%. It rises again, the union organization has no power. If one stops to look at the shapes policies… (Well, but I don't want to get sidetracked by that), one of the political forms is that the government, which didn't appear as a representative… or the political line that appeared to be at odds with the labor movement, the workers' union organization, was in power. Unemployment is going to explode. And I cannot express the political form that this will take. that government facing the an open enemy of the trade union movement, but only a government can express it, a political line to which the trade union movement responds. There is a gross increase in unemployment, a brutal drop in real wages, and the labor union movement is completely stagnant. And only two years after those falls —because a recovery process begins, initially based precisely on the cheapness of labor, Then the demand for labor begins to resurface—that's where the main labor movement starts to take action. in Argentina.

Then, for reasons that are irrelevant, There is a strong expansion of capital accumulation in Argentina that is linked to the increase in price of agricultural commodities in the world market and the role that land rent plays in Argentina, but let's leave that aside. And what is going to appear? There is a strong expansion of the Argentine economy, recovery industrial production, And that's where the demand for labor rises sharply. And among the things that happen is that, particularly for the workforce in the industrial sector, the previous phase had wiped out that workforce. Therefore, there is no workforce with those productive attributes, and the union organization of the working class has the force to raise wages. The demand for labor has increased, but there is a shortage of labor with the necessary productive attributes. which requires capital, And that will become evident in the relationships unions, such as the strength that the workers' union organization has to... It appears to be imposing a wage increase. That phase ends, and including part of that union organization, Go ahead and vote to the political line that will carry out the liquidation and the fall in wages. Because it seems that it will continue to boom indefinitely, and that this new political line will be the one that expresses the indefinite rise, And the union organization loses its power, there is a brutal drop in wages and it cannot confront the sharp drop in wages.

It was in very abstract terms, but what I wanted to express with all this is: to answer why the working class at certain times it has political power, union, and why at certain times He doesn't have it. You can't go looking for it either because it

has treacherous leaders or because it lacks clarity in its lines of action or because he makes mistakes and he didn't consider anything, but rather what he has to go and find as the cause of these... More than as a cause: It has to go and look for the need for this increase or loss of political power of the working class, when these gains and losses have a cyclical character, in what happens with the movement of capital accumulation. I don't know if that's clearer now. And if that later takes the form of combative leaders, of treacherous leaders… Because if you don't have strength, it's clear that you won't express that lack of strength. a combative leader, nor force A leader will express it that gives way quickly. So, when one looks at what individual subjectivity She's going to be the bearer, the visible face of each of these movements; she has to go and find out what's happening. with the movement cyclical nature of capital accumulation.

Javiera: But then that means that the personification, let's say, of the strength of the working class isn't necessarily going to be personified in a political organization, Let's say, it's not necessarily going to be expressed that way.

JIC: It will be expressed in political organizations that they are going to have distinct characters. At its peak, it will be a political organization strong; at the moment of the cycle's decline What will start to appear is... weak political organizations. And if it worsens, it gets weaker and weaker, until the phase comes opposite, and then it reverses. I'm taking it in very... which are not abstract movements of the human spirit or of the spirit of the working class, which is not a question that stems from what leaders it has: The leaders who express what strength the working class has at any given time. I insist again: always looking at this cyclical determination. Then, it depends on the movement, beyond the cyclical movement, what kind of character do those have? organizations. But anyway, we'll talk about cycles in Volume 3. And we'll come back to this with more arrest and the political expressions, how the cyclical movement takes shape in the political and trade union organization of the working class.

I think we're left with… Well, what appeared here was how the ideologues of capital revolve around This decision. After stating that it is necessary to have a surplus of workers, The argument made by the ideologues of capital is that there are too many workers because the workers They do not control their reproduction process biological and their reproductive process is not adapted to the available means of subsistence. And he's going to summarize it… Well, it goes on much longer. We'll continue next Wednesday. The discussion will basically revolve around this... I summarize it with this: it is a contradictory need of capital that he has left over workforce and that it creates this surplus working population, and then complains that there is a surplus working population. Are we done here?

Javiera: We're finishing point 3, right?

JIC: We're finishing point 3. Now we need to get into the concrete forms, general forms, specific forms of the surplus working population. Well, then there is the synthesis in the general law of accumulation, capitalist, but I would say that in no more than three meetings we can finish this chapter And let's enter the final

chapter. So, at the beginning of May, I don't know how, but we'll try to finish it that way.

[III]

[...] Actually, we had already seen the general determination of the generation of the surplus working population and we had been looking at the effect of that generation on the cyclical movements of capital accumulation, what role it plays in those cyclical movements. What remains of this whole section revolves more or less around this; it expands on some things. I touched on some points last time, but well, we'll revisit some of the issues that will come up.

The first thing that will emerge is the contradiction inherent in the capitalist mode of production: its need for a surplus of labor power. This contradiction is simultaneously presented as a problem of the growth of the working population. This growth in the supply of labor power is not caused by capital itself, but rather by the movement of the working population, which appeared first. Capital then finds that the growth of the working population is insufficient, yet simultaneously has a surplus beyond that growth. Marx will immediately address the factors that exacerbate this movement toward a relative overpopulation of the working population.

The first aspect that Marx will address is that, from the perspective of the individual capitalist, their interest lies in obtaining the greatest amount of labor by extracting it from the fewest possible workers. This will manifest itself in the lengthening of the working day, and Marx will argue that the larger the scale of production, the more the capitalist's objective of using the fewest possible workers tends to emerge. When we examined the question of what happens to a given mass of labor power available to capital, we observed that the total mass of labor power demanded by capital does not have a direct, simple relationship with the number of workers employed, because it is mediated by the length of the working day. This is where this issue arises.

A second tendency of capital, which multiplies the surplus working population, is to extract the greatest possible amount of labor from the fewest possible workers, or with the same amount of variable capital. This is the increase in the intensity of labor. Thus, the mass of labor required by capital is now extracted and made available with greater intensity by a smaller number of workers. Marx also points out the substitution of workers with more developed productive attributes by younger, less skilled workers, and this will lead to the substitution of men for women and the development of child labor. Consequently, the number of highly skilled workers, those who have undergone a long apprenticeship, or those whose jobs require a long apprenticeship, will decrease. This makes a larger pool of labor available to capital early on, with the incorporation of female labor, the development of child labor, and so on. The existing total working population now includes this additional labor force, resulting in a more pronounced surplus. This trend accelerates, fueled by the three elements that have emerged (a smaller workforce with longer working hours, increased work intensity, and the addition of more individuals to the labor supply). This process is even faster than what simply arises from the substitution of variable capital for constant capital. Note also that the development of machinery requires relatively less labor over time.

Later, among the developments he makes, I felt it necessary to highlight some movements that also contribute to this intensification. The first movement is to intensify competition among workers. The more intensely workers work, the longer the workday, the more this multiplication of the surplus working population intensifies. And as competition among workers intensifies over who sells their labor power in the face of this multiplying surplus, capital is able to exert more pressure on workers, coercing them more strongly to extract more labor power, and consequently, this also has the effect of multiplying the generation of surplus workers.

So, in summary, what will emerge is something I already raised last time, in which the movement of wages is regulated not by what happens with the total mass of the working population that is put into operation, but with the fluctuating mass of the part of the working population that is part of the *industrial army* Marx will raise the *question* of what proportion of the working population constitutes the *industrial reserve army.* He will argue that during periods of stagnation and moderate prosperity, the industrial reserve army exerts pressure on the active workforce, while during periods of overproduction and rapid expansion, its presence limits the power the active workforce would otherwise have. Therefore, the law of supply and demand for labor is based on, or rather, what happens to this relative surplus population. And because of the permanent existence of the industrial reserve army, the fluctuations in the supply and demand for labor never—even during periods of greatest prosperity—affect the rate of capital accumulation.

And then, as a summary of what has been discussed, he returns to the reference of 10-year industrial cycles, and how what happens at each stage of accumulation is reflected in what happens to the mass of the industrial reserve army. He argues that the availability of labor power for capital does not depend on the absolute movements of the working population, but rather is based on what happens to this industrial reserve army. He says that the ideologues of capital—and he reiterates this criticism—invert this and present it as if the supply and demand of labor power are governed by the biological reproduction process of the working population, as if the movement of that reproduction could satisfy the fluctuating demands of capital within those 10 years.

[…] Well, then we have this movement in which biological reproduction, the period of biological reproduction of the working population in order to add labor power to the process of capital accumulation, transcends 10-year cycles, and it is clear that the satisfaction of capital's needs does not depend on that, but rather capital regulates the satisfaction of its needs for labor power through the growth and decline of the industrial reserve army. Last time we saw, very schematically, a mechanism of what happens when, eventually, during the expansion phase, wages begin to rise; We had the dual mechanism that this lowers the surplus value that capital is extracting from its workers, consequently lowering the rate of profit, which slows accumulation and the demand for labor power. But above all, the higher the wages, the easier it is to substitute living labor for dead labor, thus accelerating technological development, displacing more workers from the production process. And with this, between slower accumulation and the

accelerated incorporation of machinery, the availability of surplus labor power is recovered, with which capital will sustain its accumulation. And if we reach the opposite phase, low wages multiply capital accumulation, the capacity for accumulation, and make the incorporation of machinery more difficult; which, with a surplus population because accumulation is severely contracted, sustains capital's capacity to accumulate.

Then there's an example Marx gives of how political economy attributes the appearance of one phenomenon to another. Marx elaborates on this, explaining that a certain sector of social production suddenly experiences expanded demand, a favorable situation. This leads to a multiplication of profits in that sector, an influx of capital, and a corresponding increase in the demand for labor in that sector. Initially, wages in that sector rise. When this situation normalizes, when the expansion of production subsides and conditions return to normal, wages begin to fall. Political economy then explains the decrease in wages by pointing to the increase in the number of workers employed in that sector—the increase in the working-age population available for that sector is the cause of the lower wages. And then, he will summarize it by saying that what is a local fluctuation in the labor market, political economy takes as if it were a question of the distribution of the working population, of the general movement of the working population.

[…] Another related issue that emerges is worker solidarity. While competition had already intensified, Marx addresses this: workers become aware of the competition among themselves to sell their labor power in the face of relative overpopulation and attempt to organize—Marx explains this through trade unions—a relationship of solidarity, of cooperation between employed workers and those deemed surplus by capital, he argues, to mitigate these consequences of what he considers the natural law of capitalist production. Immediately, economists furiously protest that this violates the sacred law of supply and demand and that all solidarity between unemployed and employed workers must be prohibited.

And the last observation I wanted to make in this part is that Marx also makes a reference to the fact that with the development of the colonies, the metropolis may be losing working population, decreasing the industrial reserve army, and then, after making the reference to the free play of the law of supply and demand, the same economists justify, rebel against the sacred law of supply and demand, and want to correct it by applying violent means.

Now comes the part about the form of the surplus working population, but, before we get into that, is there anything else? As you can see, the discourse of economists has not changed much in the 150 years since the publication of *Capital:* it is still exactly the same type of argument and the same recourse to violence when there is solidarity between employed and unemployed workers.

Edgardo: Juan, could you elaborate a bit on how economists today explain the existence of this industrial reserve army?

JIC: You're taking me into territory I haven't explored in a while, because I stopped teaching... But the point is this: in neoclassical economics, unemployment is always "voluntary," there is no such thing as involuntary unemployment: the worker who is unemployed... Well, I have to go into the whole development: every individual has a total utility function, wants to maximize their total well-being, subject to the diminishing marginal utility of the different "commodities" in the terms of this approach (of the different use values).

What emerges in neoclassical economics is that every individual, upon being born, isn't exactly born with a silver spoon in their mouth, but rather with a commodity: *leisure* (being able to lie around, as we say here). However, this commodity doesn't satisfy all their needs. Because they have a lot of leisure time and no other commodities, due to a misfortune of nature—because that's just how it is—if they had commodities that allowed them to postpone consumption, then they could have the resources to live. But since they have nothing but their leisure time, they have to sacrifice a portion of that leisure in exchange for obtaining other commodities. Therefore, for neoclassical economics, work is a sacrifice of leisure, not an activity. To the point that, in the graphs neoclassical economics uses to represent an individual's utility functions, work isn't counted from the origin to the right, but rather from the total amount of leisure to the left: it's a sacrifice of leisure, not an activity. So, since the individual needs to eat and has 24 hours of leisure, the marginal utility of leisure is relatively low compared to the income they could earn from working. And the individual's equilibrium point, then, is sacrificing a certain amount of leisure in exchange for a certain amount of income where, if I remember correctly, the leisure time available to them in terms of income and the income available to them in terms of leisure time have become equal. And that is the equilibrium point, the point at which the individual maximizes their total utility.

So, when an individual is unemployed, neoclassical economics says that this is an individual who has reached their optimal level of total well-being at the point where they have 24 hours of leisure and no income. This is summarized by saying that involuntary unemployment doesn't exist: every unemployed individual is unemployed because, when comparing income with leisure, the utility offered by income versus the utility offered by leisure, they chose to have all the leisure. This then has a reflection in the common perception, because it's the image: the unemployed person is unemployed because they don't want to work. That's precisely what neoclassical economics says: they are unemployed because they don't want to work; they prefer to maximize their leisure time and not have to work. And then neoclassical economics presents a situation, let's call it an "impurity" in this regard, in which, it says, there are individuals who are unemployed, willing to work for a lower wage than the current one, but the unions won't allow it to be lowered. And so, there is involuntary unemployment that is the fault of the unions. Therefore, the existence of unemployment is either an individual decision of the worker, or a collective decision through the union…

Randy: Of course, it's an "imposition." [**JIC:** Exactly.]

JIC: …which doesn't allow wages to fall enough to increase the demand for labor and for this individual to find employment. Therefore, unemployment is always the responsibility of the workers.

In Argentina (we've already experienced this, but I think we're going to experience it again, intensely), during the convertibility era in the 1990s, all the labor flexibility laws were based on this premise: there are people willing to work, but wages have to be lowered and the unions won't allow it, so these obstacles to wage reductions must be eliminated. It's remarkable that with the wage cuts, unemployment increased enormously, reaching rates close to 25%, along with a similar rate of underemployment, but that was the official narrative.

Regarding the Austrian economy, which fundamentally shares the same principles, they swear up and down that it doesn't, but value is determined by utility and scarcity. The difference is that they argue it's not a problem of rationality, but a problem of choices, meaning that an unemployed individual is unemployed by choice and is also choosing unemployment. The presence of unions—which will also come up in that discourse—hinders the wage reduction that would allow for an increase in the labor supply. That's essentially the argument.

Everything is in neoclassical economics… in what was the main microeconomics textbook used for many years, though it's now largely obsolete, but it was in the textbook. It argued that unemployment insurance reduces societal well-being because one individual will have an income that's less than the salary they could earn working a normal day's work, *but* they still have an income *and, moreover,* they're left with all the leisure time. And that individual's overall well-being improved, but since the income they received had to come from somewhere—since they didn't participate in production—it reduced the well-being of another individual. And according to Pareto's definition of the optimum of social well-being, no one can increase their overall well-being without reducing the overall well-being of another individual. So, what appears there, in the textbook used worldwide at that time, which had global distribution, openly explained why, according to neoclassical economics, unemployment insurance worsened societal well-being. I don't know, Edgardo, if this is more or less…

Edgardo: Yes, yes, excellent. I was saying that too because I was recently reading a text I wrote about economists or sociologists from the University of Buenos Aires. In fact, I think it's called "Seminar on Labor Studies" or something like that, but they were more from the critical political economy school of thought, and they criticized the thesis that the high levels of unemployment we have today in many countries are a product of the automation of labor, which is a hot topic these days with these new artificial intelligence technologies. Rather, they argued that unemployment is a product of the lack of economic growth, and that the economy, since it hasn't grown at a normal or adequate level for a long time, isn't in a position to absorb the entire economically active population. And well, what Marx tells us here is something very different: that even in times of boom, growth, and prosperity, the industrial reserve army is still necessary for the accumulation of capital.

JIC: Yes, yes. Do you have the name of any of the authors of that?

Edgardo: I can search for the text.

JIC: No, no. I suppose what might be linked to this, but what we have before us is, in the case of this situation in Argentina, the unemployment rate, the level it has reached in the best of times, is relatively low. In the 1960s and 70s, it fluctuated between 4 or 5%, and now it fluctuates around 8% during periods of strong job growth. What emerges in this type of argument is a failure to consider the underlying causes, because one would first have to explain why these national economies are growing slowly, what capital accumulation is encountering, and one of the things that will appear is that, on the eve of acute crises, technological development accelerates sharply.

So, if these economies... I'm setting aside economies like Argentina's and those of Latin America, which have entirely different characteristics, but if you look at European economies, [...] or the US economy with low growth rates, and if you compare them to the 1960s and 70s (they're much lower now), at those times there's an acceleration of the substitution of living labor for dead labor when the crisis is very acute, even in a situation of relatively low wages. Because competition intensifies to such a degree that the only way to surpass the competitor is by increasing labor productivity. So, to assume that the movement of increasing labor productivity through the development of machinery has stopped working, and consequently, that what drives the multiplication of the surplus working population, is to make an abstraction. Especially when you look at it in countries that have an extremely low rate of natural population growth, and so it's not that because capital doesn't grow and the working population grows, the surplus working population multiplies. Therefore, I differentiate it again from the countries of Latin America, where, to put it simply, capital is not simply valorized on the basis of the extraction of surplus value under normal conditions, being at the forefront of the development of the productive forces, but rather they are national spaces of capital accumulation where capital is freed from the need to develop the productive forces on the basis of the overexploitation of labor power and the appropriation of land rent (but that's just a statement). Edgardo, I don't know if...

Edgardo: Everything's fine.

JIC: Does anyone else want to bring something up? If not, then let's move on to the forms of surplus working population or relative overpopulation of workers.

4. Various forms of existence of relative overpopulation. The general law of capitalist accumulation.

Marx begins by outlining a situation related to the development of large-scale industry (specifically, he will examine centers of large-scale industry). He starts with the general observation that every worker becomes part of the surplus working population while unemployed or not working a full day. This surplus working population, from a statistical perspective—and we'll see later that this concept is much broader—is the sum of the unemployment rate and the underemployment rate. This is the measure of what immediately appears as a "relative surplus working population." I think I mentioned this last time, and I'll say it again: when the unemployment rate fell below 4%, economists claimed there was a labor shortage, when in reality there was a surplus of 3% of the workforce, but this surplus wasn't sufficient to meet the needs of capital.

So, he's going to start by looking at what happens in large-scale industry. And he says: in large-scale industry, with its technological development and cyclical movements, what happens is that masses of workers are constantly displaced, removed from production, and at times, masses of workers are added to production. But he makes the point that this addition of masses of workers is in decreasing proportion to what happens with the scale of production. So he's going to refer to these workers who are in the movement of capital, entering and leaving production, as a *floating surplus population,* which exists in a floating way. It's always there as a normal condition of the movement of capital; sometimes it grows, sometimes it shrinks, but the individual worker enters and leaves this condition.

He's going to refer to a condition characteristic of Marx's time, one I've seen at work in some Argentine industries. It was supposedly restricted, but now it may also appear to be expanding. He argues that large-scale industry needs a mass of young workers—and he refers to this as a mass of male workers who are not yet young, but rather minors. When they reach the age of full physical development, Marx argues that only a very small fraction of these minors, upon reaching adulthood, find work and join this industrial reserve army, becoming part of the fluctuating or floating surplus labor population. It's assumed that with the prohibitions on child labor, the restrictions on child labor where these conditions effectively prevail, this mass of workers who haven't even reached full physical development doesn't appear, doesn't emerge. When we talked about child labor, I referred to a study from 20 years ago (so we'd have to see what's happening today), but in the United States, where they were starting to talk about child labor in 18-year-olds because it was considered that primary and secondary school was not enough to develop the normal productive attributes that capital demanded.

[...] Then, the other development that Marx makes is: at the other end of the working-class spectrum, the deterioration in the reproduction of labor power due to the conditions and intensity of work degrades the worker's labor power very rapidly. He argues that a middle-aged worker is already in decline. Consequently, they are demoted, relegated to the ranks of supernumerary workers, and he observes that workers in large-scale industry have the shortest lifespans. This also undergoes a series of transformations with the development of the technical

conditions of production. We have already seen that there was a historical moment when life expectancy at birth in England was 30 years, and it gradually increased. But what is certain is that, as the worker's natural lifespan and productive life extend, those at the end of that productive life suffer the consequences we see here: demotion, loss of productive attributes, even though they remain active.

Well, and here we'll also see an observation that relates to the historical moment—even slightly before the historical moment—in which Marx finds himself, the very moment of Marx's life, which is this: because there is a rapid wear and tear on the workers in the production process, and a degradation of their condition, their lives are short, and replacements must be multiplied. This implies a rapid birth rate among the working-class population, a high birth rate for the working-class population. And Marx will argue that this is a law governing the biological reproduction of the working-class population, a law unique to the working-class population, and that this is accompanied by early marriages and the exploitation of the children of working-class families, whose procreation makes them available to capital. Later we'll see what other forms this takes. In general, population censuses, indeed... let's discuss it later, but life expectancy at birth for the working population, who do the simplest work, who sell their labor power under the most precarious conditions, with fewer productive attributes, this is still present, is the one that has the shortest natural life, but the birth rates of the working population in general have historically tended to decline very sharply.

So, as we've been progressing through these forms, these modalities of the working population up to this point, the formation of the surplus working population appears, the experience of being surplus. It appears simply as a circumstantial movement, in the sense that the worker enters and exits this surplus condition (beyond all the concrete forms we were just looking at). But the next step that Marx will take… presented like this, it seems that, well, one enters and exits, and there would be more and more of them, because there is a progressive character to the formation of this surplus working population, but what one simply has is a circumstantial situation. Where he will take the next step, where a movement becomes evident where it's no longer simply a matter of entering and exiting according to the fluctuations of large-scale industry in this situation, is when he will look at what happens to the working population in the countryside, in agricultural production. Marx will look at it in agricultural production, but in reality it extends to every production process where labor productivity is subject to natural conditions that are not controllable by capital; it cannot control them since its commodities have a value that is not above the value they have when subjected to these natural conditions (I don't know if this was understood), and that this is characteristic of agricultural production, mining production, fishing production; today it also appears linked as a notable feature in tourism production, where production has to be located in a specific space where these natural conditions are present, to which the productive capacity of labor is subordinated, and only in that space is that production in which the worker is applying his labor power located.

And so, what will happen to this working population is that, when it is displaced from the production process—whether this occurs in its own direct production

process (it is replaced by machinery), or because in another place where this same type of commodity is produced, an increase in labor productivity has developed that leaves this first space out of production—now, when the worker is expelled from production, in order to find a new buyer for their labor power, they have to move, they have to leave that space, because in that space the only production that exists is that in which they were already applying their labor power and now it is surplus. They have to leave that space and go to find another place where capital shows that it needs that labor power. And so what will happen is that, unlike what happens with workers in urban centers or industrial workers, the agricultural worker who has been displaced from production remains as a latent labor force at the disposal of capital until capital demands that labor power from another place. This isn't a situation of people coming and going according to the fluctuations of production, the circumstances of different sectors, and the circumstances of technological change; rather, it's a situation that will extend over time. And this is what Marx will call a *latent* surplus population: it's available to capital, but remains in its place of origin, where it was selling its labor power, until capital draws that labor power elsewhere. To put it simply and immediately, rural-urban migration is the manifestation of the movement of this surplus population.

Now, I've always found it interesting to go beyond the development that Marx is proposing here and look at two things: to look at concrete manifestations of the movement of this latent surplus population (I know of one in the case of Argentina), and the second thing is to look at another source of latent surplus population that remains in that state of latency even more than the rural workers; and that other part is what will constitute that latent surplus population: the independent producers, producers of commodities, the figure of the peasant, even the owner of his land: direct producer with family labor, small capitalist with wage labor, but especially what appears in the cases of family labor, where as machinery is incorporated into the agricultural production processes, where there was work for all the members of that family of independent commodity producers, there is work left for fewer and fewer individuals. But since many of these cases involve housing on the production site itself, they have the possibility of growing crops for subsistence, and this applies to the entire latent surplus population: since they come from a space where there is only one type of production, we saw that the more advanced the educational process, the more well-rounded the individuals produced. When a worker has… and this is a condition in the production of workers in large-scale industry with the development of machinery, so that they could change branches and change machines with a certain flexibility due to the speed at which technical change occurs. In contrast, in agricultural production, what appears is a single type of production, carried out in the ways that this worker or direct producer had been doing. The place of general demand for this workforce is the urban centers; this worker or direct producer, displaced from agricultural production, in the urban center does not have any of the attributes needed for industry; It doesn't even have control over the immediate living conditions within that sphere, so ceasing to be part of the latent surplus population requires that the demands of capital or the desperate situation have become very acute. But we will examine the desperate situation later.

So, while that independent producer, or one with family labor, even a small capitalist, begins to stretch the possibilities of their subsistence in the area, they don't replace the value of the machinery they have... their income is no longer enough to replace the machinery they used; it's consuming the machinery. It's not even enough to earn an equivalent wage because there's no demand for their labor in that area. They subsist there and constitute a latent surplus population. And excuse me, Alejandro, for adding to this. In the case of Argentina, there's a very striking example that I'll raise as a general point. In 1936, an agricultural census was conducted, and there was an enormous amount of family labor. This led many researchers on the subject to argue that what was said about agricultural production in the Argentine Pampas region, particularly in the province of Buenos Aires, regarding ranches with wage laborers, wasn't true because family labor predominated. In 1947, a general population census was conducted, and the population that appeared in 1936 had disappeared. The population that lived near Buenos Aires, Santa Fe, and Córdoba—near the developing industrial centers—was the first to migrate to those centers. This exemplifies Marx's theory: the expansion of industrial production attracted them, and those who were closest became the working class, active in the expanding industrial centers. Later, I'd like to look at some aspects of this, but Alejandro, you wanted to bring something up.

Alejandro: Yes, well, more than anything, it's also to generate a dynamic, so it's not just your presentation. But I find this last point you mention interesting, something that perhaps isn't developed so clearly in *Capital,* about these forms of the surplus, latent working population, particularly the peasantry, what appears as peasantry or rural workers, which is this particular component that leads them to remain longer, perhaps, which is the housing, let's say, that is located on that rural land. It seems to me that, while as far as I know it's not in Capital, Engels does develop it more, I think, in what is The *Contribution to the Housing Question.* It even has an ideological role, I think, the fact that this housing is presented as belonging to what appears as "peasantry." All the arguments of the Proudhonists, and at that time all the anarchist civilians, go towards that point, as that idealized regression to that way of life in the countryside, let's say.

JIC: Yes. There is a decline, and what we have in the case of the anarchists is a demand that this decline be stopped. But the rural-to-urban migration with the development of large-scale industry and the development of agricultural capital is indeed a universal phenomenon. A few years ago, there was a study in Argentina, conducted on the agricultural northeast, where there were a number of products (yerba mate, tobacco, tea, etc.), a lot of family labor in small-scale production, and those who conducted the study found that in each of these family units, if they calculated the wages of those who worked, that wage exceeded the family's income. If they calculated the wear and tear on the machinery, that wear and tear exceeded the family's income. Therefore, it was clear that they were over-wearing the machinery and not even obtaining the equivalent of a wage for their direct labor. Nevertheless, they remained in production. Today they have even more deteriorated forms, because they can no longer even remain in production and can only sustain themselves through state-provided assistance programs, but we'll look at that later. And what usually happened with these producers was that, when they could no longer even replace what is equivalent to the constant capital

consumed in raw materials, so to speak, only then did they cease production. So we have this form of latent surplus population.

For practically the entire working-class population *of Argentina's urban centers* —and I always emphasize this—the origin of this urban population lies in two sources of latent surplus population. One part (which doesn't remember that this is its origin) is descended from peasant populations from Italy, Spain, and the Middle East, displaced from production in their places of origin and absorbed by capital in Argentina. The other part is descended from, or is the first generation of, internal migrants from the indigenous population. Therefore, this is the almost universal origin of the working-class population in Argentina's urban centers.

Alexander [Chat]: From Tsarist Russia.

JIC: From Tsarist Russia as well. That's right. [...] This extends to mining production, because even when the mines in one place are exhausted, that working population, in order to find buyers for their labor, has to move to another geographical area. Do you want to add anything else about this latent surplus population?

I want to clarify the translation by Fondo de Cultura Económica, at least the old translation, where it says: "[...] as we see, this source of relative overpopulation floats constantly" [317], and what it should say is "flows constantly" [...].

Edgardo: In the 21st century version, it is indeed listed as "flowing".

Alejandro: It gives rise to confusion with the other form seen previously, doesn't it?, of surplus working population.

JIC: Exactly, it's the term that's been mistranslated.

Marx will draw another conclusion from this, which is: with this condition of relative overpopulation that is retained in the place of origin where there is a surplus, rural wages are consistently low (referring to the fact that they are constantly reduced to the minimum wage), and are always on the verge of pauperism (which will appear later). So, indeed, when one compares urban and rural wages, rural wages, beyond the complexity of the work, the development of productive attributes, and the consumption of use values that are essential in the urban center, which in the rural center may be relative (because the worker may live on the property where they work and therefore have no transportation costs), are universally markedly lower than urban wages even today, and working conditions are also precarious. Now, if up to this point a worker appeared who moved in and out of this condition... Edgardo, yes.

Edgardo: I had a question, because you said that this latent relative overpopulation generally lacks the productive attributes required in the urban center, and that this even generates a kind of culture shock, or I don't know how to

[317]Marx, K. (1977: 544), Capital, *Volume 1.* Mexico City: FCE.

put it, a situation of desperation; they're not even used to urban life. But, I don't know, I see it in light of what happened, for example, in Southeast Asia. I mean, I'm getting into a pretty concrete example… this might be a mistake, but with the New International Division of Labor, or in the same case here in Mexico, capital migrated to those places precisely because the latent surplus working population had the productive attributes for large-scale industrial processes. But I don't know if you were referring to a different historical period; I don't know if there's a latent surplus working class that does have the productive attributes, while others don't, and can be more easily absorbed by industrial production.

JIC: With this: […] one always has to relate it to the specific conditions under which labor is demanded. But I'm taking it in the context of, for example, Argentina—and I suppose it was the Mexican historical process before the maquiladora industry—: the individual, the migration, had… When I say this about the lack of productive attributes, it's an individual who arrives from the countryside to the city and who never… I'll put it this way: never traveled on urban transportation. We also have to consider historical periods and so on. When these cases appear, when one says "the East Asian peasants," it's a society where it's not simply that they are incorporated into an urban center as individuals: it's a population that is accustomed to disciplined work, with centralized organization, because they come from irrigated agriculture. Now, among the things that change substantially is precisely that this is a population that used to live on a bowl of rice a day, and when they have to start working intensively and become industrial workers, they begin with a 14-16 hour workday. Then, the reproduction of that labor force requires a whole series of transformations in what that individual consumes and in the conditions under which they work. So, capital can take them, but why would it massively seek that labor force in East Asia and not in Latin America (because originally it didn't come to Latin America)? Why wouldn't it seek it in Africa?

It encounters a workforce of these irrigated peasants, with highly structured societies, suited for very simple work that doesn't require the development of productive attributes, but rather disciplined individuals. Subsequently, it can no longer reproduce them with these attributes; it begins to reproduce them with other attributes. What capital does is move away from the place where these workers, simply arriving from their latent state, were useful, extracting them from other national spaces. So, in this sense, it is a worker who, until these capitals appear and absorb them, remains in a latent state. And the peasants of East Asia were in this situation of a latent surplus population, which was being generated and multiplying very rapidly. At the same time that the image was emerging in Europe and the United States that there was no longer a surplus working population, this mass of surplus working population was being generated in this other place, and capital went to find them because they possessed the attributes that were useful to it. But, until then, capital did not come looking for it, due to the technical changes that had occurred.

Well, today it seems I have to mention Nicolás Grinberg several times, because I mentioned him in the other workshop. Nicolás Grinberg had done a study of how the technique had changed from riveting to welding, but within welding, which had

allowed shipbuilding to move from Europe to Korea, it was mediated by the simplification of that work process: the welder wasn't the same as the Polish, Norwegian, and other workers; they didn't apply the same welding technique as the Korean worker who joined the production. So, it was capital that changed the possibility, changed the basis on which that worker, who until then had been latent surplus population, became more useful for its valorization process than the old welder—to take this example —who was much more expensive to reproduce. So, there you have it.

Edgardo: Yes, what I want to point out is that the flow of this surplus working class—that is, the latent working class—also depends to some extent on the productive attributes of that same latent working class. In other words, because in order for it to be absorbed by the productive processes of an urban center, it must possess at least some productive attribute that could be useful to it, mediated, of course, by all these processes of labor simplification, etc.

JIC: That's why it has to have some productive attribute, but it can have productive attributes that are substantially more favorable or that are very unfavorable, making it very difficult for it to transform from an agricultural worker into an industrial worker. If capital attracts it, it must always have some productive attribute, because otherwise, capital wouldn't be useful; capital would look elsewhere for that workforce. I think that in the case of Mexico (I don't know, you'll know much better than I do), what comes into play there (where I suppose there weren't such disciplined workers, although I don't know the extent to which the Mexican peasant population could have had this kind of disciplined structure), but what comes into play there is the proximity to the United States: the possibility of having the worker who does the most complex work very close to the worker who does the simplest work, and the fact that they are separated by a state, each has its own national state, so in a way, the reproduction of each is favored as markedly different.

Edgardo: Yes, through citizenship their reproductive conditions are more easily differentiated, right?

JIC: I'm tempted to give an example, but… There's an old tango from the early 20th century where, disparagingly—because it's not a critique of rural people, but of urban people being disparaged—the lyrics say: " You're walking around downtown…", which is the city center, "…like a *country bumpkin.*" And the term "country bumpkin" comes from the rural way of speaking: I'm from " the countryside," instead of "outside." So, to be a country bumpkin is to be someone who comes from outside the city and doesn't know how to behave there. This comes to mind, but it's completely irrelevant. I don't know if you wanted to bring something up, Edgardo, or if Alejandro wanted to bring something up.

Edgardo: No, not for me anymore, thank you.

JIC: Well, we haven't yet reached all the forms of surplus working-class population, so here we have a reference to a situation that hasn't yet emerged. Because what will emerge is this: if this population was in a surplus situation for a

longer period, its defining characteristic was that it remained in this latent state until capital demanded it elsewhere. What will emerge now is this: the degree of surplus generated from capital's perspective is such that capital can acquire labor power that is purchased below its value. And so, what will emerge here is this third category of relative overpopulation, which, again, is translated by the Fondo de Cultura Económica as "intermittent," but it's not intermittent, it's *stagnant*. Because it's a worker who is part of the active working-class army, but at the same time is selling their labor power under conditions that are not normal for the reproduction of that labor power. They are selling their labor power under what are commonly called "precarious conditions." And so, we find ourselves with a worker who is selling their labor power because they are a member of the surplus working population. If capital had to buy their labor power at its value, that worker would be surplus to capital; but if it can buy it below its value, then it is useful to incorporate as active labor power. And so, it reproduces itself as active labor power on the basis of being surplus to capital. Did anyone want to raise any points?

Alejandro: Yes, Juan. Let's say, in this form of surplus working-age population, it wouldn't be so easy to visualize with immediate statistical data, would it?

JIC: No, the reference that appears… Because it may be partly in the underemployed population, but not in the unemployed. There, we have to look for it in the relationship between wages and the normal conditions for the reproduction of the workforce. This means the value of labor power. If the working day extends beyond what is normal… There is an indicator that isn't seen as this, but which, historically, when there was a… There's this, I'm taking it from Argentine history: at one time, the basket used to measure the cost of living index, more strictly the consumer price index, was what was called a “standard basket.” And that standard basket said: well, the typical family, father, mother, and two minor children, needs to consume this much bread, this much meat, etc. As a result of the multiplication of the surplus working population in Argentina, and the decline in real wages, which reflects the sale to the workforce increasingly below value, the criteria were reversed and the typical consumption of someone whose consumption was deteriorating because they no longer had enough to buy was taken into account.

Another indicator that one can mention, and I'm going to associate it with this normal condition of selling one's labor power, is the reference to "unmet basic needs." It's called "unmet basic needs" for a reason; it means: this is the minimum condition that corresponds to a normal life process, and this minimum condition is not being met. So, this means that this is an individual who is selling their labor power below its value.

And then there are other expressions in which one can recognize the selling of labor power below its value. The deterioration of educational processes, of access to education, is also an expression of a stagnant surplus population. In Argentina, we have a situation that might seem curious to non-Argentinians, but at the University of Buenos Aires, which is the largest university in Argentina (I don't remember exactly how many, but it has more than 100,000 students), half of the

faculty—I imagine it must be even worse now—doesn't receive a salary. We work (because I'm included in that group) on what's called *ad honorem,* for the honor of being university professors, and the argument is: in reality, one pays to work, because to get to work one has to pay for the bus, one has to buy clothes, one has to eat, so the worker is paying to work. Well, that situation (when I studied at that university, there were no *unpaid* professors) means that the faculty is made up of members of the stagnant surplus population; massively, they make up half the faculty. When you look at the evolution of salaries (and I only learned this recently at a union meeting), the salary of a tenured university professor in the 1970s was comparable to that of a federal judge (judges who serve the national government). I am a tenured professor and I work *without pay,* and judges earn many times more than any paid tenured professor. So, that shows that this part of the working population in Argentina has become surplus for capital.

But I always make one more observation, which is that they are part of the stagnant surplus population. It's also a peculiarity of capital accumulation in Argentina that public universities—access to a public university, to a degree, which is a five- or six-year degree specializing in a particular subject—is free. What happens to the mass of students at the University of Buenos Aires and, in general, at public universities in Argentina? They are already selling their labor power, and not just as accessory sellers of labor power, but they have a full workday and then a full day as students. What does this show? That they are a stagnant surplus population. If capital had to provide them with scholarships so they wouldn't be selling their labor power, capital wouldn't need the labor power of those students. But at the same time, when you look at the teachers in this situation, it reveals another aspect: not only are the teachers surplus working-class population, but the students are also surplus working-class population. If capital couldn't produce that future workforce for free, then it wouldn't need that workforce. If it didn't have half the teaching staff unpaid, then it couldn't have the number of students it has; if it removed that half, it wouldn't be able to have the number of students it has. Therefore, it's saying that this is a stagnant surplus population.

These are the implications of the stagnant surplus population. I considered it in work processes that appear as complex labor, as production processes of a workforce with developed productive attributes, and so on, and it is markedly so. When one looks at the evolution of the average wage in the Argentine economy, the real wage, what you see is that the average real wage, comparing now (which is a "now" that has been going on for many years) with the average real wage of 1973-74, is, if I remember correctly, something like 40%. Well, a real wage that went from 100% to 40% indicates that there is a multiplication of the stagnant surplus population. At this moment, in Argentina, registered workers with all the legal working conditions are below the poverty line: this indicates a stagnant surplus population, and therefore, capital accumulation in Argentina is sustained by this stagnant surplus population.

[…] Well. It would be interesting, not today, but next time, if we could revisit this, regarding Spain, Mexico, Colombia...

Edgardo: Regarding the conditions of...?

JIC: Of the stagnant surplus population.

Edgardo: But not specifically from university education workers.

JIC: No, no. We look at them with envy from here.

Edgardo: Because at UNAM, which is the closest thing to UBA, most professors earn below the minimum wage, but there isn't that category of *ad honorem professors.* Everyone receives at least enough for transportation [Laughter].

JIC: They don't pay to work [Laughter].

Edgardo: I think so, because they have to pay for food...

JIC: Not that part, a salary so minimal that it only covers transportation.

Edgardo: Yes, yes, literally.

JIC: Yes, we always look at them with envy, that's clear [Laughter]. I suppose that in European and North American universities, there has been a deterioration in the conditions for selling the workforce, which is far from what I'm discussing here, but compared to the 1970s, the conditions for selling the workforce in university centers seemed to me to be, in general, with more job security, less of what we call "part-time appointments" here. A university professor is supposed to do research; in some faculties that's not the case, but in economics faculties, the vast majority of professors have part-time appointments: teaching and nothing more. In social science faculties, I think there's also a very large proportion of professors with part-time appointments. According to a study that was done once in economics, there were, I think, 1% of professors with full-time appointments and 2% with part-time appointments. All the rest with simple dedication, and in that rest they included all the registered *ad honorem* (because there are also a lot of *ad honorem* that are not even recognized by the university).

Edgardo: But yes, it's interesting to watch.

JIC: There are other aspects as well, but when we look at where this movement is going further, I also think it's interesting to look at other aspects of what has happened with education, as a reflection of the non-reproduction of a workforce under normal conditions.

[II]

JIC: Well, first, if there's anything from last time that you want to bring up.

Edgardo: I think last time, Juan, you mentioned something like we were going to do a kind of comparison between Argentina and other countries in the region, but I don't know if I misunderstood you.

JIC: Yes, but only after we complete the analysis of the forms of relative overpopulation of the working class. And I would like to expand on this with some of the determinations that arise from these transformations, and then, if what we said was to look at manifestations of this, one of those manifestations is what happens to education while capital needs labor power and when it no longer needs that labor power. But first we have to look at the forms that this development takes, and we arrive at the surplus population stuck in the condition of being surplus, and well, from there we had to continue in several aspects. […]

Ivan: I, Juan, sorry, I have a question that's been bothering me since the other meeting. It's more of a methodological question, so to speak, about how we distinguish between an active worker, who isn't part of the surplus working population, and an active worker who is part of the surplus working population but in a stagnant state. Because what I see is that there's a point where capital incorporates technology, simplifies work processes, thereby emptying or lowering the required qualities of the workforce, and therefore expels skilled workers and hires unskilled or less skilled workers, buying their labor power below its value. So, that's an active worker, but one who sells their labor power below its value, and it's a bit difficult in those cases to discern, or at least it is for me, whether they are part of the stagnant surplus working population or an active worker who... In other words, how do we differentiate between a worker who is selling their labor power below its value and a worker... surplus in a stagnant condition? […] I don't know if those two populations are the same. That is, there is a point where they intersect, but they are not necessarily the same.

And something else to add to this question is also distinguishing the fact that this stagnant surplus working population isn't always (as Marx argues in those paragraphs) in declining industries. Sometimes it's found, for example, in the informal labor sector, or in jobs where the production units are in the hands of informal bourgeoisie—I don't know, textile workshops and so on. But it's also present in advanced industries, perhaps not the most advanced, but it can appear, for example, among platform workers. That is, where platforms advance and incorporate this population, or when we see development in Southeast Asia, where capital migrates and incorporates, in that case, surplus population…

Edgardo [Chat]: Also in the maquiladoras.

Ivan: Well, Edgardo mentions the maquiladoras there; I was thinking about the examples from Southeast Asia where it's a latent surplus population, but you see the wage comparison with the American worker and you say: well, is it an active

worker who is paid for their labor power below its value or is it surplus working population? [...]

JIC: Well, your point is clear. Based on that, I'd like to clarify a few things. First, capital always needs workers who sell their labor power under normal conditions, even though, depending on the period we were discussing […] of the ten-year cycle and the more acute cyclical movements, even those longer than the ten-year cycle, the pattern will be: during boom times, wages will tend to rise, and during recessions, even for workers who would normally sell their labor power below market value, there may be a disruption to that normality. But when you look at it in the overall picture, they tend to reproduce their labor power under normal conditions with the normal attributes needed to operate that labor power. And even how the very development of increasing complexity in labor, especially through the development of intellectual labor—and by intellectual I don't mean basic science, but intellectual labor in general, I'm not taking it in that sense—but rather… How capital requires workers with productive attributes that imply greater consumption of use values and not necessarily an increase in the value of labor power. On the contrary, the value of labor power falls with the increase in labor productivity. But we saw the shortening of the workday linked to the increase in the intensity of labor, which implies the need to consume, let's call it that in very simple terms, more use values. So, when you look at the surplus working population, the image might appear that the entire working population becomes surplus for capital, stagnant, or we'll see later what else happens to them. Capital always needs certain productive attributes that it needs to reproduce, and if the production process makes it necessary to develop those productive attributes, then what will appear in the value of the labor power of a generation is the production of a generation with more developed productive capacities.

The second point is that when we talk about labor power, what emerges is that the shift towards the private nature of labor gives rise to a division of national spaces and a global unity that is not yet, let's call it, a general global uniformity. […] What I was saying is this [318]: there is national fragmentation of the capital accumulation process, there are national specificities, there are national *histories,* and when one looks at what determines the value of labor power, the consumption of use values can be different, and what for one working-class population would be below the value of labor power, for another working-class population might be the value of labor power. Now: there aren't differences, given the material similarity of labor, there aren't such great differences, or that the concrete historical conditions of a working class project themselves decades and decades. There may be a mediation of those historical conditions, but in the long run, producing a worker who is more or less the same as another ends up costing more or less the same as the other.

The examples… I think we already touched on this. So, when you look at the phenomenon you were raising, Iván, of capital moving to East Asia, it's clear that when this labor force, which is extremely cheap, begins to be incorporated—it's at a price that corresponds to its previous status as a surplus working population, a

[318]There was a brief outage due to network issues.

latent surplus population—but when a 14-16 hour workday, 6 days a week, is imposed on it, with living costs corresponding to an urban center, this labor force quickly ceases to be able to reproduce itself based on what could have sustained it in a position to enter this production process before. I think we touched on this last time. And what begins to emerge is that the following measures are imposed: a shortening of the workday, wage increases, and the development of education—at least for the workers who can no longer reproduce themselves immediately under the previous conditions. And if within the national territory there is still more latent surplus population, what happens to that population is that it is attracted under the initial conditions of the other, but in the long run it undergoes that transformation.

This transformation is present in China, but China is beginning to experience problems due to a lack of latent surplus population. This population, this source of labor, is being depleted (at least, that's how it appears), and therefore some of these workers are now employed in India and Pakistan, being sought outside of China. It's also possible that the general conditions for the reproduction of labor in China no longer allow for a sharp differentiation between newly incorporated industrial workers and those already employed. This can be seen more clearly, so to speak, in the case of Japan, because Japan exhausted its latent surplus population. Coming out of World War II, workers were selling themselves for poverty wages, and as Japan transformed into an industrial working-class population, it could no longer sustain itself on such wages. Since it can no longer sustain itself on poverty wages... I'm not sure if the correct term is: "we have to give it to them," or if new types of production are emerging that require a workforce with more productive attributes, and thus the type of production is changing. Now… I think we talked about it last time, I told you something about Japan and basic science and that.

Edgardo: Yes, yes, we mentioned it, we talked for a little while.

JIC: Well, the Japanese workforce continues to subsist under conditions that are not comparable... The Japanese workforce that performs the most complex work continues to reproduce itself under conditions that, one might say, are below the equivalent of the European or North American workforce doing the same type of work; housing conditions are more or less cramped, the working day is longer, the number of annual hours worked is still somewhat higher...

Fernando [Chat]: The average salary is also lower.

JIC: Well, Fernando adds the point about wages here. And it still has productive attributes that aren't the same as those of the European worker who does complex work. With what I was saying about: there's still a disciplinary structure and a need for accountability that even becomes incompatible with the development of basic science and so on. So, you see that 80 years have passed, and yet a certain differentiation persists.

I haven't done the calculation for several years, but unfortunately… To see what had happened to us in Argentina, where the picture was: well, why is Korean

industry competing with Argentine industry? Because now it has much lower wages; Korean industrial wages were, and I think still are, markedly higher than Argentine wages. I don't know if in purchasing power, but certainly from the point of view of capital, which is how much global money it costs, how many dollars it costs. I mentioned to them what Chinese economists do when they go to conferences (they show graphs of how wages are rising in China, leaving aside what the starting point was), but I suppose that wages in China are already at levels for certain types of workers that aren't so far below European or North American wages.

So, the first thing is these conditions. One then says: in this place, of course, this meant paying far below the value of labor compared to European labor, but it was labor produced with such meager wages; it can't be reproduced with such meager wages, but since it carries with it the conditions of having been immediately reproduced with such meager wages, this also extends over the time in which a worker with the same productive attributes is being produced…

Fernando [Chat]: The average PPP salary in Korea is very similar to the Japanese (65% of the American) and the Chinese, the last I saw (2017), the average urban PPP salary was close to 40% of the American.

JIC: …that movement drags along. So, it's not that I'm going to appeal to the index the World Bank uses to measure poverty in the world, which is a standard… but, strictly speaking, to differentiate whether this is selling for the value of labor power or not, you have to look at all those mediating factors. Now, if you take the Argentine case, and if you take the industrial wage in Argentina, to take a worker who more or less has the same benefits, several issues arise. It's true that in Argentina the activity rate is increasing, and so in the working-class family there are, on average, more people selling their labor power, which would imply some decrease in the value of individual labor power. It can be argued whether capital needs workers with fewer productive attributes in Argentina than it had before, workers it will pay for based on the value of their labor power. But when one finds that around 1974 the purchasing power of the wage of the industrial worker in Argentina was 60-70% of the wage of the equivalent industrial worker in the United States and that today the industrial wage in Argentina is 50% of what it was in 1974, that there is no increase in the activity rate that makes sense, no simplification of the work that makes sense —because they are also workers who have more or less the same productive attributes—, there is a sale of labor power markedly below its value.

So, the movement is more or less… It's not clear that one says: ah, but here this person is selling their labor power below its value. I referred last time to the situation of university professors who never had the productive attributes of selling their labor power at its value. The situation of industrial workers, when you compare them with industrial workers in the United States, didn't have it in 1974 either. […] When you look at Argentina at the beginning of the 20th century, the purchasing power of wages was higher than in Italy and Spain, and what you see is migration to Argentina. It was almost equivalent to that of the English worker, then it gradually diverged… When you look at the situation of university professors,

where the value of labor power is considered to include sabbatical years, participation in conferences and so on, and full-time dedication, that in Argentina, at least for many years, hasn't existed. So, it's a workforce that, when you look at it, you say: if this is the normal condition because this, this and this are demanded of this individual, their productive attributes, and in the sale of their labor power there are none of the components, that says that they are selling their labor power below its value.

When you look at the population of university students who are essentially selling their labor power, you realize there's a double burden here. They're not selling their labor power at its true value because their salary covers the wear and tear from working, but not the wear and tear from studying. So, if you compare this to other parts of the country where this isn't the norm, where the situation has deteriorated significantly, all of these indicators suggest that it's not a case of selling labor power at its true value, nor is it simply a matter of the value of labor power decreasing. Rather, it's a situation of consistently selling labor power below its true value.

And then, I always use an analogy: we have to distinguish (excuse the local term) between those who are kiosk owners by vocation and those who are kiosk owners because they have nowhere else to sell their labor. So, there's a stagnant surplus population that, for statistical purposes, is listed as self-employed, not as laborers, as sellers of their labor. Cardboard collectors aren't listed as sellers of their labor. The implication is that there aren't... in other countries there aren't so many... A business that sells cigarettes, sweets... the window of the house that has the...

Edgardo: Ah, I see, here it would be a grocery store.

JIC: Not even, I think, because it's not a store that sells food… It sells sodas and yogurts for consumption on the street, but you can't go there to stock up. I don't know if grocery stores aren't more like food stores, cleaning supplies… these don't go that far. But I'll put it in a more serious situation: the cardboard collectors (which I think doesn't need translation), aren't listed as vendors of labor: they're listed as self-employed workers. And nobody is a cardboard collector by vocation.

So, this distortion even appears in the statistics, which in Argentina had a historical expression during the last dictatorship, when the unemployment rate began to rise (it never went back down, but that's when it started to climb). Many of the newly unemployed were still receiving severance pay. And then, many of those severance payments (the same thing that happened in the 1990s) were used to start small businesses, small workshops… they opened a kiosk. And then, in the official statistics, unemployment fell and the growth of self-employment began to appear. One of the official narratives of the dictatorship, the statistical report when this was discussed, was that what was happening was that Argentinians are like that: we like to be independent, to be free, and so we prefer to work for ourselves and not have a boss; we don't like having a boss. And that was the argument given in response to the increase in the surplus working-class population, based on a statistical record that this person was a petty bourgeois, not a worker. And when

you look at that population, you might have a strong sense of being petty bourgeois, but it's a member of the stagnant, surplus working class. And generally, the prices, the profit they make from their business, from whatever it is, barely equals a salary, and often it's below a salary (something I think we also talked about last time, something like that).

So, it's very debatable… Not debatable, but it's very complex to look and say: ah, but this one is no longer a salaried worker, now he's a self-employed worker (they are the most reactionary there are, but it's a stagnant surplus population).

Fernando [Chat]: There's a very clear trend during the pandemic. Self-employment increased, while salaried employment decreased. In fact, the salaried employment rate dropped considerably and has now risen again. I think it reached 71% and is now close to 74% again. In times of crisis, self-employment increases and salaried employment decreases.

JIC: But I say verbally, Fernando, interrupt me.

Fernando: I have music playing in the background, if you don't mind. No, no, this is about how we were looking at the EPH data the other day for my UNS class, and during the pandemic the rate of salaried employment dropped while self-employment increased. And what we generally see is that in times of crisis, self-employment rises and salaried employment falls. It's a clear indication of what you're saying, that, in reality, these are salaried workers who—let's put it in terms of what a former president might say — *are becoming* self-employed, not entrepreneurs.

JIC: Yes. But that president would say the opposite, that they "become independent."

Fernando: Exactly. And what we did in the study of [? – 33:55], one of the decisions to focus on households with a primary wage income was related to this. Because in a household's income you can have a wage income and a self-employment income, but if the primary income is wage-earning, what you end up with is nothing; the other income comes from a stagnant, surplus working-class population that doesn't even reach the minimum wage and is doing another self-employed activity to supplement their income.

JIC: Yes, yes, he has a longer working day than he does as an employee.

Fernando: Exactly. And when you take those households of wage earners and separate them, let's put it that way, what you see is that from the eighties onward, income falls, and that's when this issue of women becoming more widespread as sellers of their labor power expands. It's the same period in time that the working-class population increases, meaning they effectively sell their labor power, and what we see is that if you look at it by household, income falls. What used to be, the income of a single individual was perhaps higher than what multiple incomes are now on average, right?

JIC: Well, so what one has is... Let's say, all these things come into play in the record, going back to what Iván had initially suggested. It has to be analyzed with all these factors in mind, and many of them aren't completely separable, so you can't say: well, there's no doubt that this is here, or there's no doubt that that is here. You have to analyze it with all these elements.

I want to emphasize this again: there's a point it specifically highlights, which involves denying the determination of the value of commodities by the abstract, socially necessary labor privately expended in producing them. It assumes that "socially necessary" is simply supply and demand, and that this is what governs what is socially necessary. This is a whole line of thought within Marxism that is currently experiencing rapid growth (the German "New Reading" holds this view, as does Heinrich). Because then, labor power is always sold at its value: the problem is that the current level of social need doesn't allow for more, and so that's the value of that labor power. "Socially necessary" corresponds to normal conditions, and the surplus working population doesn't represent normal conditions for selling labor power; it represents conditions for selling labor power below its value. So, well, this is what's at stake. I don't know if with this...

Ivan: I mean, yes, but there's one point I'm still missing, which is... I mean, if we keep linking this to declining industries, what connection do we make there? Because one could also say, well, in the Chinese case, it's like a contradictory process, that is, where you had a latent working-class population, there's a migration of capital and so on, and a process begins, let's say, of universalizing that workforce. [38:48] In the Argentine case, it would be the opposite, that is, you started from a certain base and there's a downward process, let's say, both in that industry and in what's paid for that workforce.

But what I still need to understand is what happens with, or how to understand, this process where platforms and new labor relations emerge, characterized by their global nature and their use in production processes that unfold globally (all these platforms: Rappi, Glovo, PedidosYa, Uber…), but also programmers, graphic designers, a very broad range; and what they all have in common (because yes, you will find a high wage dispersion), is, on the one hand, the lack of recognition of an employment contract, and on the other hand, that in certain states that begin to regulate this workforce (and this is directly the case with delivery drivers), laws appear that regulate the workforce but say: well, if you work less than, let's say, 30 hours a week or less than 16 hours a week, you are not recognized as an employee, you are recognized as self-employed, and therefore you lose all rights to social security.

So, there's a distinction there; the law doesn't recognize that this worker requires full coverage of their reproductive needs, that they require full social security coverage, pension contributions, or compensation in case of a work-related accident or illness, but only a fraction of it. So, initially, I saw it and thought: well, to me, this is a stagnant surplus working-age population. But at the same time, this is developing globally, in Europe, the United States, and, moreover, the state—which is also quite unique—recognizes this distinction in its own legislation.

JIC: Two points about this. The first is: the legal superstructure is the form that the economic base takes. The economic base generates a growing surplus working population, and labor legislation reflects this situation.

If you look at Europe in the 1960s and early 1970s (it was also the case in the US, but with the ever-present racial discrimination and the impact on migrants, it was always more visible; in Europe at that time, migration was more limited. There was always migration within European countries, but it was more limited than it appears later), the discourse emerged that Marx was wrong about what we still need to complete regarding the "general law of capitalist accumulation," which is: at one pole, the growth of wealth, and at the other pole, the growth of poverty. And it was said (you still hear it now, but it's less common to find people who make this argument): the movement of capitalism, capitalist development, is what will lead to universal well-being. In Western Europe, in the United States, there is no more surplus population (that was the discourse), and if someone loses their job, then they have unemployment coverage that is almost equivalent to their labor income, and unemployment rates are 4-5%, which are frictional in nature, coming in and going out.

And so, that's the discourse that emerged regarding economic development. Applied to countries like Argentina, it was: what is the cause of underdevelopment? Because it hasn't yet progressed enough, but when it fully develops through industrial development and everything else, we'll do the same as France. At that same time, the latent overpopulation of the working class was exploding in East Asia, because it was there… The rest of the world too; later we'll look at the specific factors, but I mean, in the rest of… In Asia, in Africa, in Latin America… But that was the discourse.

The basis of accumulation changes, and… Back then, the conditions for the reproduction of labor power were universal. I know of an American Marxist economist who was a high school teacher, and he earned his doctorate using unemployment insurance, which shows the magnitude and duration of that unemployment insurance. Then, starting in the mid-1970s, this exploded, and a strong differentiation began. Unemployment rates rose, and they rose sharply in Europe. The old industrial working class, displaced from production by production in East Asia, became a surplus working class, not included in the unemployment figures because they were considered unable to work. They were economically inactive, not looking for work, so they didn't appear in the unemployment rate. And then came the very strong differentiation, and Uber and Rappi appeared in those countries as well. And what the legislation reflected was that, well, this was now the normal condition for the buying and selling of labor power in this national space. And this is reflected in the fact that what they want to do in Argentina—reforming labor legislation, which has already been significantly reformed—is precisely this: it reflects this: this is all surplus working-class population, no severance pay, no education, no limits on working hours: the entire workforce is surplus. It only benefits capital on this basis; if they are surplus and will have an 8-hour workday, severance pay, and vacations, that capital that is in… This is what Marx raises there: where does this population end up, and is this what allows the surplus of large-scale industry to subsist? Well, Argentine industry, in its entirety,

is surplus of large-scale industry, and in order to reproduce itself, it reproduces itself on this basis and, very openly, on the basis of so-called “unregistered” employment, which is simply a problem of state control structure and is not addressed. It is the practical way of reproducing capital based on the use of stagnant labor power, in increasingly precarious conditions.

So, when they say that labor legislation in Argentina is outdated and 100 years old… yes, of course: it was for the universal worker, it was the legislation that applied to a worker within a relatively undifferentiated national space. And then came a phase where, in addition, there was a surplus population, but it was relatively… “limited,” and today it's the complete opposite. So the legislation… Let me clarify: all the working class has to do is fight to maintain that legislation, but what happens when you look at it objectively is that it doesn't have the strength to be able to uphold the legislation for the undifferentiated worker. And among other things, it doesn't have the strength, not only in legislation, but also to allow for what is 40% unregistered employment.

And the other aspect of this that exists in Argentina, and which is well-known, is (this has sometimes caused arguments because some people were outraged when they heard me say this), but when […] in the 1980s unemployment programs began (these programs multiplied in the 1990s, and exploded in 2000-2001), one of the intentions was that unemployed workers, who were paid unemployment benefits, would have the benefit deducted from their collective bargaining agreement wage if a company hired them. So the state continued paying the subsidy, and the company hired the worker at the agreed-upon wage minus the subsidy. The CGT (General Confederation of Labor) strongly opposed this (given that it's the CGT) because, well, from now on, companies wouldn't hire workers who weren't receiving unemployment benefits, because that worker would be cheaper for the company. Today, the labor movement accepts that there is a subsidy and that the individual has a job, and that, in fact, it's deducted from their salary. So, all these transformations are revealing a national economy that is generating a stagnant surplus population. We still need to see what happens to this stagnant surplus population and the deepening of this situation, which Marx doesn't consider a fourth level, but I'm going to present it as such, and where it's also very difficult to draw the line. Because to what extent is an individual whose work consists of scavenging and eating garbage a worker stuck in that condition, if the deterioration no longer... transcends it? Well, they sell their labor power below its value; they no longer even have a buyer for their labor power, but they have something to sell. But if they eat what they have to sell, because they eat garbage, well, they are no longer a worker simply stuck in this condition. I don't know if this clarifies things further...

Ivan: Yes, one last thing, Juan, and apologies to the rest of the group for all the questions: what happens to competition between capitalists in this scenario? […] I think about it more on a global level, and particularly in relation to platforms: you have capitalists who continue to pay labor power its value, perhaps in a simplified work process, and at the same time, a group of companies emerges, as we were saying, with a lot of power in relation to the capital they have, the money they generate, or at least the global expansion they begin to create, but which at the

same time employ their workforce, systematically paying it below value. And there, let's say, how does that competition play out? Because, let's say, in capitalism, I mean, Marx, I think, in Chapter VIII, argues: well, there is nothing that capitalists abhor more than unequal conditions of exploitation of labor power because they end up appearing as distinct powers when it comes to accumulation. Well, that would be the question.

JIC: Yes. I have two... I always have "two sides," then there are a lot [Laughs]. But there are contradictions among capitalists, even depending on the type of commodities each one produces. That became very clear in the 90s, also in Argentina, when they privatized the electricity and public services, with ferociously high rates. One of the companies—I spoke with someone who worked there, I don't know who he was here, but he was a manager in several branches of Coca-Cola—and they were also at odds with this: from Coca-Cola's point of view, those rates were a disgrace, not because of what they cost them, but because they couldn't sell, because what they had to sell was going to a population that couldn't afford to pay them because they had to pay the increased rates. So, well, that's how competition works.

What you call "platforms" doesn't convince me, because a platform is a tool, and the operational structure uses that tool, but it also uses surplus working-class labor. The type of production process they employ lends itself to having workers who see themselves, or who have to support themselves, as self-employed, especially the most skilled. Now, those highly skilled workers who work from Argentina creating computer programs for other countries—in those other countries, we have to see if they could live as they do in Argentina with a much lower salary. Why do these companies compete? Because wages or labor costs in Argentina are much lower. Now, what happens if that worker had to go and do the same job in Germany, for example? We have to see if they could reproduce their labor power as they do here, because here it's cheapened, compared to a labor force that is significantly cheaper. So, they sell it cheaply for the global market, but relative to the Argentine market, it's a good salary.

And besides, programming work lends itself to the fantasy of personal freedom and individual liberty. Rappi does too, but Rappi is sadder; what personal freedom does it give you if you have to be pedaling around all day like a madman? But programming work, and graphic design even more so, is: I'm a creative individual, that's why I got this job, why would I have a boss telling me, " Hey, were you on time?" or "You weren't on time"? That's why the coercion of these kinds of workers in companies isn't about monitoring your hours, no: I'll give you a room to rest if you're tired, I'll set up some *pool tables* and games, and I'll give you a nice meal; now... woe betide you if you don't deliver the results you're owed, because you won't get a second of those benefits. So, these are also forms of coercion that can work better in certain types of production than in others.

The fantasy that 3D printers will replace industrial plants might have some basis, to the extent that it does… I think it's a fantasy, but for some productions it might have a place. This could be applied to small runs of very specialized items, and I became self-employed doing this; it's the same situation. I mean, there are

self-employed people who aren't part of the surplus working class. I don't know which professions to name; I have to resort to national examples, but notary office *owners* in Argentina aren't part of the surplus working class, though the notary office *employees* are. But that's a capitalist who has… The lawyer running for governor of the Province of Buenos Aires, he's not part of the surplus working class; he's an independent salesman. I suppose he's a capitalist in the legal profession; he must have salaried lawyers. He's not part of the surplus working class; his lawyers might be. The same goes for accounting firms and all this with the fantasy that "I made you a partner," so, since he's a partner in that company...

Then these other forms appear. This is all for internal consumption [Laughter]: Pampita's husband, who owns several restaurants, isn't a member of the surplus working class: he's a member of the petty bourgeoisie, yes, he's a small-time capitalist. It's clear that his employees are members of the surplus working class, secondarily on a large scale, right?

Ivan: I have two quick comments, Juan. One concerns these workers who work in different parts of the world. They notice and realize this difference because there's an illusion surrounding the internet or online work, which was seen as a kind of universalization, a leveling of the playing field for all workers connected to that network or platform, doing on-demand work for clients in different parts of the world. What these workers, especially those from Africa and Asia, noticed was that, due to geolocation, they were being offered jobs with lower pay than those in Europe and North America. So, the strategy these workers started using was to try to hack the system so it would appear they lived in Germany.

JIC: That's what it's called, "VPN"?

Ivan: I don't know the name, but... Well, that's regarding those types of workers. And regarding platform workers, I was investigating the annual reports, the balance sheets of one platform, and in the year of the pandemic, what appears is that they imposed a "fair wage" program (which acknowledges that they had been paying "unfair" wages throughout the previous period), but when they have to explain why they imposed this program, they say: well, to avoid a shortage of delivery drivers and driver strikes. In other words, it's as if capital itself was beginning to see that this workforce was being consumed prematurely and exhausted, and that they didn't have enough drivers to continue recruiting new labor with the income they were paying during a sales expansion process, and that's where this contradiction arises. These problems obviously aren't solved by saying, "Let's regulate the workforce, have an employment contract, and well, the conditions will change." Instead, they require a program that adjusts this exploitation of the workforce. These are just two examples of this particular situation.

JIC: Yes, and it's also a time when workers have power and threaten to form a union. And then that power fades away...

Ivan: And regulatory bills are starting to appear as well. It's like all of that starts to emerge during those two years of the pandemic and then tends to dissolve. In

Spain, for example, where there's a law, the two largest companies directly defy it. In other words, they've been in defiance of the Spanish state for two years of conflict.

JIC: And the Spanish state is looking the other way?

Ivan: I wasn't able to follow it that closely. According to the newspaper headlines, there seems to be a war between the Minister of Labor and the platforms, which remains to be seen how real it is, but it seems the Minister has been constantly fining them. And the shareholders of this platform, which is Glovo in Spain and Delivery Hero globally, are complaining, saying that the acquisition of Glovo was a disaster, a gamble, and a kind of bailout. But the truth is that nowhere in the world is there really any labor regulation, which, for me, is the enormous burden of the surplus working population, who often appear to oppose these kinds of regulations for fear of losing their jobs.

JIC: Yes. The other thing that emerges with these forms is what we were saying, the appearance that the individual is an independent producer of commodities. The other thing that emerges is the form of consciousness that many of these workers, the surplus working population, have, who see themselves as self-employed and become a fiercely reactionary mass. One might think that an Uber driver… That this was characteristic of taxi drivers: in Argentina, the taxi system was largely based on individual ownership of the taxis; later, some companies with fleets began to appear, but they were still individually owned, and historically, taxi drivers were as reactionary as could be. One would think that those Uber drivers, who have the evidence that they have to work with Uber because they can't even afford to work as taxi drivers, would maintain some awareness of their status as sellers of frustrated labor power, and that's not the case, at least not for... I don't use these platforms, but from what people have told me, when they tried to steer the conversation toward solidarity with the working class, thinking about these kinds of things, they're worse than the worst of the worst, more reactionary, more aligned with the ideology of the petty bourgeoisie than... but that's the process. Edgardo, you wanted to chime in, excuse me Iván because Edgardo had...

Ivan: We need to socialize the word, I think that's good [Laughter].

Edgardo: No, but my question is about something very specific. When you were talking about Japanese workers, were you referring to the present moment or some point in the 20th century? You said that workers with expanded subjectivity in Japan never achieved the living conditions of American workers.

JIC: More than not achieving adequate living conditions… The salary, what he mentioned… At some point Fernando said it was 65%… Oh no, that was in Korea. But this: in Japan, housing is still, by the standards one might say, like in the US for that type of worker, or in Europe, I understand it's much more precarious.

The other thing that came up—and this is a study from, I think I mentioned it last time, from the late 1990s, early 2000s—was the limitations Japanese scientists had in developing basic science, in a study commissioned by the United States

Congress. At that time, Japan was the competition, so they were looking at this: they were very good at developing applied science, but they couldn't produce basic science. And it didn't give the explanation, but it presented the image of a strongly structured, disciplinary, hierarchical society... To do basic science, you need individuals who see themselves as free, to the point of not having any results throughout their working life. And for an individual who responds to a structure of strong discipline and who has to be accountable, that's incompatible; it leaves them completely disoriented. So, that was the difference.

Now, I don't know today whether the purchasing power of Japanese wages is equivalent to that of the United States or not. Going back to what I observed at the beginning: it may be that to produce an individual with the same productive attributes in Japan, a certain mass of use values is needed, or a type of use value that may be more expensive or cheaper than in the US; that due to the general structure of that society's history, a certain type of use value is consumed in one place and the need for it doesn't arise in another, or vice versa. I suppose that in Japan, car ownership doesn't play the same role it has played in the development of the United States, among other things, as a symbol of freedom. But no, that's just a risky observation. I don't know what's happening today. Japan entered...

Edgardo: The conclusion we can draw from all this development is that the productive attributes of each fragment of the national working class are mediated by the history of the nation, of that same national working class.

JIC: Exactly. The question is how long the old story persists, how long that projection lasts. And it seems that even in a stage of social development that is constantly evolving, there remain determinants of that historical differentiation that persist for decades and decades. We're talking about almost a century, and it would seem that these differences still remain.

I'm going to take an example of different consumption of use values, but among Americans, owning a gun is part of the value of labor power (I don't know if it's universal, but it's quite common), and I understand that in European countries it's not considered a necessary consumption. So, even with something so specific, owning a gun produces an individual who has, I don't know if I'd call them "productive attributes," but has a productive subjectivity that isn't the same as the individual who doesn't own a gun. Now, it's possible that the individual who doesn't own a gun consumes other things that produce the same kind of self-image, that produce a similar consciousness, that fulfill the same role. But I don't know, that would require very specific, very difficult studies, because you also have to say: well, this person and this person are the same, but do they consume the same things, work the same number of hours, see themselves in the same way? It's very difficult, I think.

Edgardo: I also believe there is a lot of historical research on the formation of each national working class, etc.

JIC: Exactly. It's not enough to look at the present; we must also consider where that present came from and where this national process of capital accumulation is

headed, because I suppose it's not the same to be part of a stagnant process as it is to be part of an exploding one. But all of this makes it very delicate—I'd say, not difficult—to say: this is a population that is selling its labor power normally, this one is selling it below value. But when there is a significant difference in the conditions of reproduction of these two labor forces, there is no doubt that one may be selling below value, but the other is sunk below value; there is no doubt that this is not the value of labor power. Especially when one looks at life expectancy, health conditions... Generally, these situations are measured by income level, but when one looks at what is called the definition of "unmet basic needs," it somewhat points to a normative idea of what constitutes a normal reproduction of life; But that shows that he is a worker who is selling his labor power under conditions that he cannot reproduce.

The other element at play here is this: what kind of labor force does capital—let's call it "normal" capital, the kind that's appreciating at the general rate of profit—need? Because when you look at capital that isn't in those conditions, one of the ways it sustains itself is precisely by paying labor power below its value. I'll return to Marx's argument: the thing is, the survival of capital that isn't in those conditions has different causes, and there are different national processes that encompass these differences. But anyway, that's what... I don't know if there's anything else you'd like to know...

Edgardo: Not on my end.

JIC: We're moving forward with the forms, so we'll take another step [...].

Several things will emerge in the development that Marx continues to make. When the concept of a stagnant surplus population appears, along with the possibility for capital to accumulate based on this cheap labor power, and how this—what Marx summarizes as maximum working hours, minimum wage—is fueled. What will emerge is how this stagnant surplus population is fed, and it is through the very development of machinery, the "exhaustion," as he calls it, of certain industrial sectors, the development of machinery in both large-scale industry and agricultural production... So, there we have this source of labor power being sold below its value. And then, as accumulation develops, the base of this stagnant surplus population multiplies.

And here an issue will emerge that we will see developed further when we continue examining the growth of this surplus working-class population: the specific law of biological reproduction of this surplus working-class population. What Marx will observe is that the birth rate of the surplus working-class population exceeds the birth rate of the employed working-class population. And the lower the wages of this working-class population, the fewer means of subsistence they have, the more members their families have. He will make two observations. He will say: this is a law of population reproduction that would be absurd for any "savage" society, any social form more primitive than the capitalist mode of production [319]. And he will say the same for the colonies. Why the

[319] Marx, K. (1977: 545), *Capital,* Volume 1. Mexico City: FCE.

association with previous social forms? Because if in those previous social forms there is no food, the population decreases and births decrease. And here what he observes is: the birth rate multiplies, the number of children per family multiplies.

And the other observation he makes is, he says: this "is a law that recalls the mass reproduction of individually weak and persecuted animal species [320]." I always associate this—Marx didn't have the opportunity to see it—the example of what he's saying about the reproduction of individually weak and persecuted animal species, but it's inseparable for me from the image in documentaries, where one of those cases is: sea turtles that come ashore to lay their eggs, and a number of turtles hatch that have to reach the sea, and on their way to the sea, seagulls or some other seabird eat them. The only way for that animal population to survive is through numbers. The number has to be large enough so that, even if many are left behind, enough still make it to sustain the reproduction of that population. So, this same thing appears here, in the sense that each individual is weaker, and the way to sustain the reproduction of the lives of those individuals is through the multiplication of their numbers.

Marx leaves it like that in the development. I propose that we pause to look at the concrete forms this increase in the birth rate takes. Why? It's stated here: because each member of the family is weaker, so the only way for that family to survive is through numbers, because many will die along the way. But one can look at the reasons for the increase in the birth rate not in this general determination, but by looking at the concrete determinants. So I propose that next time we begin by looking at these concrete determinants and continue moving forward.

Since this significantly affects all of our countries, I suppose it makes us pay closer attention to all the specific factors that emerge, but I think it's worthwhile to explain why this factor arises, which is then used by the ideologues of capital to say: they live in poverty because they have too many children. And in that process, what I'd also like us to explore is: what is the law of biological reproduction for the working-class population that is at the opposite end of the spectrum from the surplus working-class population, the working-class population that sells its labor power for its value, or approximates its value, and must possess full productive capacity to perform more complex work? And what then happens to the biological reproduction process of that segment of the working-class population? So, if you agree, next Wednesday we'll begin specifically with that [...].

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[320] Ibid.

[III]

[…] We had arrived at this point, as Marx puts it: for the stagnant surplus population, the law of biological reproduction that appears—which he says would be absurd in any previous social form—of the multiplication of births, the multiplication of the birth rate as a consequence. The capital that generates this surplus working population, now the surplus working population itself under these conditions carries with it a factor of multiplication; just as capital is what multiplies the generation of the surplus working population, now that multiplication has an additional determination, which extends its reach.

Marx continues from this point. I had suggested, if you'd like, that we pause to consider two issues. One is the concrete form. Marx says it's reminiscent of animal species where each individual is weak, fragile, and the only way to reproduce, to sustain themselves, is through numbers. But one can observe how this movement unfolds in concrete forms. The other is, at this stage of the development of the capitalist mode of production, to examine what happens to the law of reproduction of the working population that performs the most complex labor. In Marx's time, this most complex labor was limited to workers operating more or less automated, developed machinery, with one main worker and auxiliary workers. But it's clear that today the development of this labor force, qualitatively, has a very different scope. So, I don't know if you want us to stop here or continue.

Randy: Yes, that's fine by me, let's stop.

JIC: When one looks at the specific forms that correspond, in general, not just what we've been looking at, we can say that the entire working-class population of Argentina is part of the surplus working-class population, at the very least, stagnant. In general, these are degrees of stagnation that already correspond more to the next step, because Marx doesn't present it as a further step, but he does say that the part of this stagnant surplus population that reaches the extreme and consolidates itself in this condition… Well, we haven't seen that yet, but it corresponds more to that part of the working-class population. I'm going to raise some immediate aspects of what concrete factors play a role in the increase in the birth rate of this population.

First, the children of this segment of the working class are incorporated into what we might call "production" processes very early on, in order to reproduce the life of the working-class family. Consequently, they also contribute their labor to the reproduction of that family very early on. Concrete examples include: much of the work of waste pickers is family work in which very young children participate. But then there are the different forms of child labor, where, perhaps because the adults in the family cannot find buyers for their labor, there are capitalists who buy the labor of the children, who work in even more precarious conditions than the adults. This leads to what UNICEF classifies as the "worst forms of child labor," of which there are three.

1) The first is child prostitution. 2) The second is begging, and in the case of begging, it appears that the child possesses a virtue that the adult lacks, because

when a child asks an adult, the adult can be moved, let's say, by the child's vulnerability, whereas if they see another adult, the reaction might be (something one hears every day around here): " Go get a job, I work, do what I do." So, it's a potential source of income for families in situations of surplus, which is reinforcing the recourse to child begging, which can take different forms, some more overt and others more subtle. 3) And the third is drug trafficking, which, as an activity that, to regulate the scale of consumption, if this commodity were simply sold at, let's call it, its production price, consumption would far exceed the needs of capital. It's the same with alcohol and tobacco, and there are two ways to regulate their consumption: one is through special taxes levied on each of these products, and the other is by making them illegal. Because they are illegal, this increases the production cost (excuse me, we're still here: it increases the value of the product), and through this illegality, consumption is regulated.

And what happens in this regard is that, since minors, from a legal standpoint, are considered individuals who are not free, not accountable, and while an adult would face legal sanctions, the use of minors—in street-level drug trafficking, obviously, because child labor is useless in other types of trafficking—has this competitive advantage from the perspective of the capital operating in drug trafficking. So, these situations arise in which it becomes immediately clear how children contribute to the family income at an early age, something that the adults in the family, unable to find buyers for their labor, cannot contribute. I always cite a situation (I don't know what would happen today, because this is from many years ago), provided by a social worker who was familiar with the situation regarding drug trafficking, about what happened in that family where the roles of those contributing to the family's finances were reversed. And the boys were aware that it was an illegal activity, and so, the reflection of this in the boys' consciousness, the reversal of the relationship, from adults as providers to minors who are providers for the adults through an illegal activity. So, well, we have these conditions that support the surplus family based on the presence of minors contributing to the family income.

Now, if we look at it from the perspective of adults, several issues arise. First, to control the biological reproduction process, one needs a certain level of knowledge about how one's own body and organism function, and about the resources available to manage the birth rate. And the more marginalized a portion of the working-class population becomes, the less access they have to knowledge about contraception and their own bodies. This leads to the inability to consciously control the reproductive process. Second, contraception is a commodity that must be purchased, and for a family that lacks the social resources to buy food, this becomes a secondary concern. The third issue is what happens to the subjectivity of both the men and women within this marginalized working-class population.

Let's put it this way: the more patriarchal a society is, the more socially accepted it is to the common consciousness—it's presented to them that the duty of an adult male, to assert himself as an adult male, is to provide for his family. When he can't, when he's unable to sell his labor, this self-image that the adult male may have of his status as—I'll put it in these terms—"provider male" is diminished. And one of the ways to assert himself in the face of this is to assert himself biologically as a

male, and the reflection of this is the increased likelihood of pregnancy. Conversely, or in a complementary way for women… I'll put it this way, as it was put to me by someone—I don't remember if it was this same person or someone else—in situations of extreme poverty within a society where patriarchal ideas prevail, the young woman, the adolescent girl, is at the bottom of the social ladder. In contrast, the position of mother is the first rung. So —this was raised when talking about unwanted pregnancies—, what appeared in the work this person was doing was this situation: it appears immediately as unwanted, but in the background it changes the young woman's situation regarding her place in her immediate environment; and at the same time, both men and women who are without productive activity, without anything else to do, the possibility of sexual relations can be made at any time and the possibility of pregnancy also appears multiplied.

So, when you look at all these concrete factors, you see that it's not simply that individual vulnerability is compensated for by numbers, but rather that this vulnerability manifests itself in a whole series of concrete ways. All of these factors converge on an increase in the birth rate of the surplus working-class population. The more this condition becomes entrenched, the more the concrete possibilities for an increased birth rate multiply.

[…] If we look at the working population that is currently employed and performs complex labor… Which doesn't mean that this working population isn't also part of the surplus working population: now, with the development of artificial intelligence, it's more or less imminent—I don't remember which newspaper I was reading today—that in Hollywood, writers and screenwriters are extremely alarmed because they've developed movie scripts using artificial intelligence. This doesn't mean that the worker who can perform the most complex work of all won't suddenly find themselves displaced by the development of machinery and become part of the surplus population; they may have more opportunities to find a buyer for their labor, but nothing is guaranteed.

Ivan: Yesterday, Juan, I heard a very interesting interview with "Belinsky," a name like that, who's an Argentinian studying Artificial Intelligence [321]. He was saying—it seems he studied Artificial Intelligence about 15 years ago—that lately, a couple of years ago, he'd been getting really bored, like nothing was happening, and then suddenly everything started happening in a very short time. What he emphasized, which was like the big surprise shaking the world, is that the prevailing hypothesis was that artificial intelligence and all the computational developments were going to quickly replace simple or low-skilled work, which is the process we've seen systematically throughout the history of capitalism. But what started to surprise us is this ability to begin replacing complex and creative work. And well, some examples were impressive; for instance, they asked Artificial Intelligence to describe World War II using makeup metaphors, and apparently, Artificial Intelligence produced an impressive text using makeup metaphors. Nothing, it's a very silly thing, but what he started to explain to her is that he has the ability to do creative work that probably no historian can do because, let's say,

[321] It seems to refer to Santiago Bilinkis.

they don't have the ability to mix those two worlds that artificial intelligence is beginning to have.

He also mentioned that there are already programs that are replacing programmers. For example, there's one that allows you to program using predictive text, and some programmers say that when they start writing code, it tells them the rest halfway through, or in some cases, it even corrects it. He says that obviously these jobs aren't going to disappear, but that perhaps this artificial intelligence has the capacity to multiply by five the work that a programmer used to do; that is, where five programmers were previously needed, only one is now required, and so on with different skills. He also mentioned that an AI-generated photo won a photography contest, showing that AI is starting to have a power in content creation, something that, initially, seemed to be largely relegated to the sidelines.

JIC: Yes. Anyway, what it can't do is… First of all, the creation it makes is an association of existing, pre-existing things, because that's what it's fueled by. And what it can't do is… I'll put it this way: it can't continue to affirm itself through its own negation, because that requires a process that is organically characteristic of a living being, and it hasn't yet reached that level.

Ivan: No, that's true, it has a limit.

JIC: What you can do is logical reasoning based on the information you have. So, when it appears as… It may be in that sense, but I don't think so either…

Ivan: Juan, I think the point there is, let's say, like… A large part of what we ourselves apply in our work is that form of reasoning, it's the conditional, 70% of the best programmer, or the best painter, or the best musician…

JIC: …from the best university professor [Laughter].

Ivan: I don't know if you heard, but there's a course platform called, if I'm not mistaken, Udemy, that started listening to the courses its professors taught. And there was a strike recently because they wanted to replace about 200 or 300 professors with artificial intelligence, which apparently performed much better than the professors. I mean, they couldn't do it; there were conflicts among the teachers, but anyway, it's out there.

JIC: It's heading that way.

Ivan: And one could say, well, I don't know how to tell you… I would say: Juan, you won't be replaced, but if I start giving what you give, they could replace me.

JIC: I took early retirement [Laughter].

Ivan: But I mean, it's clear that there's a sector that doesn't, and I don't know if I'm going to replace it, but there's another part that, well, could perfectly well move forward.

JIC: No, no, it exists. But you have to consider that it does systematize what's inside it. The first experience with this kind of AI, which is creative and all that, was done, I think, by Microsoft, I don't know, five years ago (it was before the pandemic), and it quickly became… It fed on information and became fascist, Nazi, racist, xenophobic [Laughter]. They allowed you to interact with it, and it seems there was a whole line of thought behind it, and they had to take the chatty robot, which was very friendly, out of circulation. But well, yes, it's clear that everything… It's supposed to free human consciousness to be able to think about what this can't think about, but let's see if in the capitalist mode of production, let's say… In the capitalist mode of production, it's more likely that what it will immediately do is multiply the surplus working population. Pedro, you wanted to chime in.

Pedro: Yes, Juan. Regarding what you were saying about the surplus working-class population, as it expands, as that population increases, the need arises for capital to eliminate a good part of that excess population, and I don't know, I think it takes shape in those actions by the state, suddenly against the PTA or things like that, which end up annihilating some part of that population.

JIC: Now Marx puts it later, a little bit further on; but yes, yes, we're going to look at that […] regarding the limitation of the growth of the surplus working population, with some concrete examples. Fernando.

Fernando: No, I'm still focused on the debate about artificial intelligence, which is quite extensive and perhaps not relevant here because we're directly addressing the issue of surplus working-age population. However, one aspect that would be interesting to discuss at some point is what progress these developments represent in terms of the capacity to directly organize the social production process. It would be interesting to examine that, in addition to this immediate capitalist consequence—let's put it that way—of the increase in surplus working-age population. Is it simply a quantitative leap, or is it a qualitative leap in terms of developing the capacity to consciously and voluntarily organize the social production process directly?

JIC: Yes, it had better be.

Ivan: Yes, and a very small thing. And it's very interesting how the social sciences see it. For example, I was reading an author named Zuboff, who has a book with a rather grandiose title, called *Surveillance Capitalism,* where she argues that these platforms, computer science, information technology, what they're doing is monitoring people, making them vulnerable to the extent that they take and collect their data and use it as inputs in their production processes. But the interesting thing is that this researcher's horror is that she said: "We're heading towards collectivism" [Laughter]. And then I was thinking about the cyber-communists who, well, they see a similar trend, but they embrace it, saying: well, this is progress in the development of productive and social forces. But I mean, that debate, it seems to me that it's very much alive, those who are seeing how this development is progressing.

JIC: Yes, what happens is that afterwards the cyber-communists say: that's it, with this development there is already the possibility of overcoming the capitalist mode of production, it is simply a matter of will, at least those I know.

Ivan: Yes, I haven't read them, I still have to face them, I was only thinking about it because of the name and such, but yes, this author would make your stomach churn quite a bit.

JIC: [Laughter]. Well, let's move on then to the law of biological reproduction of the working population that does the most complex work and has not yet been displaced by the machinery of that production process.

What appears here is precisely what we observed when we looked at what the capitalist mode of production does with the development of machinery, how it takes away from the capitalist the function of being the organizer of social labor done privately, and how that function is transferred to the collective worker; and how, then, the first thing we had was: if with the first development of machinery capital needed workers who had a certain process of training or formal education because that gave them a certain universality and put them in a position to incorporate themselves into the work process with the machinery as organs of collective workers who were not going to learn in the production process itself, but already had to have certain productive skills, up to that point an elementary education appeared. But as this work becomes increasingly complex and developed, the time during which individuals possessing these productive attributes need to be in the formal education process extends. This implies a process that goes beyond primary school, secondary school, and university degrees, encompassing postgraduate studies and beyond. And this—maintaining the competitive drive to develop this workforce for later sale—is incompatible with, or clashes with, participating in the biological production process and the possibility of having and raising children.

And when that workforce completed what appeared to be its formation process, and now capital is in a position, or rather, that workforce is in a position to be fully put into production by capital… And one must always remember this: capital, all it has done while that workforce was developing, is refrain from extracting surplus value from it, but this cost capital nothing, because what it cost to produce that workforce springs from the labor of the active working population. But now capital does want to take advantage of it, to put this workforce into full operation, and so the demand for labor intensity (which follows) also clashes with the process of participating in biological reproduction. And so, the birth rate of this population falls, and falls more and more markedly. The two immediate examples of this are, one is the academic sphere, where this is absolutely present, where it is known that one must publish or perish, and so one must be immediately responding to the demand for permanent labor intensity, even in the process of forming that workforce; And the same applies to individuals who, regardless of the aspect of the life of capital—which one ordinarily views as functioning capital—will be required to work (whether in the technical area, in the area of managing that capital, in administrative management, or whatever, a very high intensity of labor is demanded). And so, this population experiences a sharp drop in the birth rate.

I began observing a phenomenon more than twenty years ago, but its forms have changed drastically in those twenty years: what has emerged is a division of labor between biological production and the production of the productive attributes of the new workforce. And this is it: individuals reach 40-45 years of age, and at that point they can begin to reduce the intensity of their work (in academia, this is more or less the point at which individuals can start undermining others by rejecting their work and claiming they lack the necessary qualifications) and no longer feel the need to publish desperately. For both men and women, reaching 45 years of age while completely detached from the process of biologically producing and training a new workforce is extremely difficult. First, because they have a life experience that has nothing to do with that other process. And secondly, awareness begins to emerge regarding the risks involved, particularly those more immediately apparent to women as they reach reproductive age, but also present in men: the risk of malformations in individuals highly valued for their capacity for intellectual work (considering all forms of intellectual work). And so, what emerged some years ago is this division in the process of labor force reproduction. These individuals do not participate in biological reproduction: biological reproduction is the responsibility of the surplus working population—not so surplus that the conditions of their natural life affect fetal development and the intellectual capacities of the future individual, but... So, the process of biological reproduction is the responsibility of this part of the population, and the process of producing that individual as a bearer of a complex labor force will be the responsibility of these other individuals we were talking about.

The first manifestation of this is the adoption of biological children from the surplus working class. These individuals, these children, are taken in by the working class that performs the complex labor and is responsible for developing their productive attributes. I've always framed this phenomenon in these terms. At one time, you didn't have to look for evidence of it in a scientific book, but rather in celebrity gossip magazines, because that's where this process became very evident: in actors and actresses adopting children not from their own country, but from places with a surplus working-class population. This is almost like stepping into afternoon gossip shows, but one of the most striking cases was that of Mia Farrow, who adopted children from various countries (she was married to Woody Allen). One of the things that came to light in that relationship was that Woody Allen became involved with, I believe, the first daughter Mia Farrow had adopted. But this is how it appeared.

There was a case in Argentina that, for those familiar with it, being Argentinian, will seem perfectly plausible; for non-Argentinians, it might raise eyebrows. But this woman, Nicole Neumann, once stated in an interview that she was torn between "adopting a puppy or adopting a Black child," so this was the image she had of the equivalence in this situation. Well, this phenomenon is developing, beginning to emerge, transcending the world of entertainment, as a recurring situation always associated with a surplus population responsible for biological reproduction, and a working-class population engaged in complex labor, occupied with the production of that labor power—individuals with the consciousness and subjectivity inherent in complex work. And with technological development (this is

strongly linked to child trafficking, to forms of illegality; in part, this preference for children from outside the same country is linked to evading the adoption laws of the country of residence of those who perform the complex labor), surrogacy begins to emerge, as does, let's call it, "remote" insemination, and directly, the open choice of who will participate in the biological reproduction process by the individual from the complex labor sector, from the societies linked to that complex labor. Through the development of the machinery system, this form of division of labor in biological reproduction arises, the formation of the productive attributes of these labor forces, which is an international division of labor. So, what one finds are these transformations.

Well, this is basically what I wanted to raise. Just as when we looked at what happens to the most surplus population with their biological reproduction process, which is determined by the very movement of capital, the population that does the most complex work, their biological reproduction process is also determined by capital. Fernando.

Fernando: Yes, let me add a few things that make what you were saying interesting. First, based on this International Division of Labor, in countries with a surplus working-class population but also conditions for reasonably healthy reproduction, the responsibility is to provide the future generations who will participate in the reproduction of working-class families in countries where labor is complex and the workforce is reproduced in a different way. This implies, as you mentioned, forms of illegality, but it also implies forms of legality; because the process happening now is that in those countries of origin of the children, there are state mechanisms in place to facilitate the adoption process, including vaccination certificates and medical tests confirming that the children to be adopted are healthy, and so on, through state mechanisms. So, it may not comply with the legal conditions for adoption in the countries of the working-class population that performs the complex labor, but it modified the legal conditions for adoption in those countries (I don't know if it modified them, but it created legal conditions) to facilitate the adoption process. It is a process that I understand has been taking place in recent years.

And the second point, which is perhaps interesting to add to what you were saying, is the issue of the step… I don't know if it's a step, but regarding the situation of egg donation, which is the option where a woman can carry out the pregnancy process, but needs the donation of an egg from another woman who, due to age, is fertile. And this is interesting because it also reveals a kind of international division of labor, where countries—one of the main ones was Ukraine, and with the war, this shifted to Poland—have catalogs of women who donate their eggs, and these eggs are purchased. And well, that's another aspect where perhaps the interesting thing about this is that a woman who wants to be a mother can carry out the pregnancy process but needs the egg of another woman; and in the case of Argentina, there is no catalog; there is legislation for egg donation, but it is not legal to select an egg through a catalog. It's interesting to consider this situation. And well, this is one of the issues we had discussed about how this appears, whether carried in the salary or through the action of national

states, both artificial insemination and egg donation and what need it indicates in that sense.

JIC: What you're saying about the development of legislation reflects… We've already seen: the legal superstructure is the form that the determination of people as personifications of capital takes as a direct, conscious, and voluntary relationship. Therefore, these transformations in the process of biological reproduction necessarily take the form of legal regulations that give it substance so that it can flow not as an exceptional situation or anything like that, but as a more or less general condition. I had forgotten about an issue regarding the intensity of labor: in particular, in the case of women, capital, on this basis, frees itself from the obstacles to the possibility of women being fully present in the production process. It sustains the intensity because the woman who performs the complex labor is outside the process of biological reproduction. So, one can participate in the reproductive process without participating in biological reproduction, and this allows capital to have continuous access to the person of the woman who performs the complex labor, uninterrupted by the biological process of birth.

So, this contrast emerges, which is later reflected in the consciousness, particularly of those members of the working class who do the most complex work: the ideological representation that some are sensible and others are a bunch of reckless people because they have children "without thinking," let's put it that way. And then, ideologically, it appears as a critique of the surplus working-class population—what Marx later says: the surplus working-class population is accused of being the cause of the surplus because they reproduce; it becomes the ideological discourse that intelligent and educated people behave this way, and this other part of the population is to blame, because of its ignorance, for multiplying the number of children. […]

What will emerge in Marx's subsequent work, after he has established the law of biological reproduction? What will become apparent is what happens to the surplus working-class population as this situation worsens. He will argue that the last remnants of this relative overpopulation are those who find refuge in the realm of pauperism. When he refers to pauperism, he means the need for assistance to survive because there is no longer any labor power to sell; this is the central figure that will emerge. And the figure of what is still being called, using the German term, the *Lumpenproletariat,* or the "ragged proletariat," will also appear.

And Marx makes this distinction: when he refers to that ragged proletariat, he includes vagrants, criminals, and prostitutes, separating them from the sale, or attempted sale, of labor power, and considering prostitution not as work, but as a form of social relation that doesn't involve a productive expenditure of labor power, but rather… It's not specified exactly what, but one could associate it with an appropriation of the person herself, with the possibility that the client appropriates the person of the prostitute. I don't recall if, when we started in some workshops, there was considerable discussion—not here, but very early on—regarding whether prostitution was work—whether one has access to the labor power of another individual—or whether what happens is that one has access to the person of the other individual. But what he argues is that they are included

within the relative overpopulation, the last remnants of the relative overpopulation. The lumpenproletariat, he says, leaving these aside, is made up of these others. And then the lumpenproletariat is also included there. And what he's going to propose is: people who are still able to work but can't find a buyer for their labor power; then he adds: orphans, children of the poor, the degraded, those incapable of work, and who are therefore condemned to never be able to escape this condition, and that it only includes workers, he says, who survive to the normal lifespan of their class, as well as those who have been maimed, sick... He includes widows, with an image that the adult male is the central seller of labor power, and this condition appears.

In general, when I explain this, I treat it as if it were the surplus population that is consolidated in this condition of surplus—Marx uses the term "consolidated"—as if it were a fourth level; it can also be read this way in Marx because he says: finally, there is this (but he doesn't name it, as he did the three previous parts). And what one has there is that what capital does to this mass of the super-working population, first, is to deprive them of the exercise of their capacity to work. And when this condition deepens, what it directly deprives them of is the capacity to work: it is no longer the exercise, but the capacity itself. The individual who is the product of the life process of a super-working population that is consolidated in this condition from one generation to the next, no longer has productive attributes within themselves, no longer knows how to work. The first generations had this capacity to work, and capital has deprived them of the possibility of exercising it, of applying it. There comes a point that directly stripped that overpopulation of the ability to work.

And this is linked to what happens to the educational development of that population. What we had was that, in order to work in large-scale industry, one needs to go through a process that develops certain universal skills. I'll use Argentina as an example, but I suppose it's more universal: when school, for a substantial part of the working-class population, ceases to be the place where one goes to learn to work, and becomes the place where one goes to eat because there's no food at home, that's where this transformation is emerging. It's no longer simply about taking away the worker's ability to work, but about dispossessing them of that ability altogether.

And so, what we have before us—and I always feel it's important to emphasize this—is the extent to which the alienation of the working class is revealed as an attribute of capital. This is something Marx, when we were still looking at the normal process of reproduction of the working class with its productive attributes, showed that even in the process of individual consumption, the working class is an attribute of capital. Here, what we have is that capital goes so far as to strip this working population of its very generic human condition. Because when we examine this condition, which is the generic human being, this generic being is born from labor. When a part of the human population is stripped of the capacity to work, then what is being stripped from them is their humanity. And this is what the capitalist mode of production does: it reduces that part of the working population to the condition of an animal. If there is something in their environment that they can appropriate, then they can reproduce their lives. If in that

environment he has to act productively, and he doesn't have the possibility of doing so because he doesn't have access to the means of production, but also because he doesn't have the necessary attributes to be able to carry out the work... Then, for me, this is one of the strongest aspects of what the generation of the worker, of the working class in Capital, means.

But I would add another step to this, one that cannot be included in the text of *Capital,* because when Marx examines what happens to the worker with the development of large-scale industry, the possibility that the workers themselves manage the personifications of capital in action does not appear. While the capitalist class manages capital, what we are witnessing—this stripping of humanity from a portion of the working population—is what the capitalist class does to the working class. But when one considers that it is the working class itself that manages capital, carrying within it the contradiction of being the personification of labor power, the seller of labor power, and at the same time the personification of the buyer of labor power, what one sees is: this is what the working class does to itself. And so, what becomes clear is the extent to which what we saw when we looked at class relations, and how the antagonism between buyer and seller of labor power was embedded within the relationship of class solidarity, here we see how far that antagonistic relationship extends within the working class itself: one part of the working class is working to ensure that another part of the working class loses all productive capacity. I don't know if you want to raise any points.

Edgardo: Juan, yes, I wanted to give a specific example, something that resonates very directly with me because I live in Mexico. It's the case of the workforce employed, so to speak, by drug traffickers. I tend to think that this workforce is essentially a consolidated working class. Let's say, the productive attributes a hitman needs are a detachment from others, a fanaticism for violence… I don't know how to describe it: cutting someone's head off, dissolving another person in acid, for example, to me that's a total loss of productive attributes. So I don't know if you would agree with me on this. And also, something Pedro mentioned earlier, I think it's also a way for capital to get rid of surplus working class, those who are no longer useful or needed.

JIC: Yes, I would express it in these terms: when one's own life is worthless, then other people's lives are worthless too. So, it's at that point, when the condition of being surplus implies having no productive attributes, when survival is a circumstantial condition, let's say, over which the individual has no possibility of acting, well: drug trafficking is one of the ways of selling what one should call "labor power," because in fact, the drug traffickers who employ these hitmen, as well as the small-time dealers and others, extract surplus value from them. While they extract surplus value, and even though part of the product's price is linked to what we were discussing earlier, it's not simply the value of the amount of socially necessary abstract labor that is materialized. Rather… One might think that it is, in any case, value, considering that part of that socially necessary abstract labor is killing other individuals—that's the role of hitmen—but there's also land rent, rent based on illegality itself, which takes us into another realm. But this is indeed what you're suggesting, Edgardo: that labor force (if it can even be called "labor") is

recruited from the consolidated surplus population, where there's no way to sell that labor power except through that activity or in that form.

This is a specific example, but an article I read many years ago has stayed with me. I don't know if it was in a magazine, maybe The Economist or some American publication, that told the story of a man in India who had been rescued by nuns from a pile of corpses. He was lying there, part of the pile of bodies, and the nuns realized he was alive. This was in the 1980s, when HIV was starting to spread, and well, he had recovered, but they weren't giving him any more food. So, to get something to eat, he was selling his blood. The question they asked him was whether he wasn't afraid of contracting HIV through blood transfusions. And his answer was: "My options are to die today because I have nothing to eat, or to die later because I got infected."

Those are the expressions... I always put it this way too: when these discourses of "barbaric socialism" appear, my response is: the capitalist mode of production is barbarism. Barbarism isn't a mode of production where there is no production... Nothing: it's the capitalist mode of production. But well, this is what we're up against. I don't know if you want to bring something else up. Well, if not, let's move on to the other point that's already come up twice: what happens when the surplus population, especially this consolidated population, grows beyond what capital needs to increase its value? We have to consider that it can be very consolidated and still serve capital's purpose of increasing its value. Because, I don't know if it's known by these same terms, but the waste pickers are a consolidated surplus population that serves the capital that buys their waste, that buys their cardboard; that capital serves to increase its value. So, we had seen what Marx was proposing: well, they go there to the place where machinery hasn't fully developed yet, to more degraded jobs, but the scale, so to speak, keeps going and going, and it reaches these points we were looking at here. Therefore, two things happen that, so to speak, complement each other; they are the two sides of this unity.

From the perspective of capital, a very large mass of the population can be surplus, and this surplus is placed at the service of the valorization process. And therefore, how much surplus must capital have? It has a very large scope. We saw that it intensifies competition among workers to sell their labor power, and the sale of labor power below its value reaches the absolute limit where the individual is no longer able to perform or carry out their work. They not only lack the attributes necessary for organizing and managing their work, but they also lack the physical strength to get up and go to the place where they have to do their job. And so, the extreme to which the sale of labor power for value-based labor can go is very extensive. […] From the perspective of capital, this is a source of valorization, and capitalists appear, a part of the capitalist class, who sustain their accumulation on this beyond the general trend.

From the standpoint of the development of the productive forces of social labor, firstly, the surplus working population is a waste of potential labor power, which is a fierce mutilation of the development of the social productive forces, but at the same time, the cheapness of labor power, we saw that what it does is make the incorporation of machinery more difficult; thus, from the historical standpoint of

the historical development of the capitalist mode of production, it is an impediment to the development of the productive forces [...], the capitalist mode of production raises this double impediment: it wastes enormous masses of labor power and hinders the development of those productive forces through the transformation of the materiality of labor.

So, when does it start to become too much? It has a very large area to expand. [...] I stop now, Fernando suggests, and I'm going to expand that area.

Fernando: No, it actually relates to what Edgardo asked about the drug trafficking workforce and what you just said about when surplus labor starts to hinder the flow of accumulation. You gave the example of cardboard collectors, which is a branch of production that generates value by exploiting this surplus and consolidated workforce; Edgardo gave the example of drug trafficking... And indeed, what we see when we were working on the article about Central America is that it's a workforce that develops specific productive attributes for that type of activity, of work [...], and it comes into conflict within a national context of accumulation... I don't know if it's so prevalent in Mexico, perhaps in some regions of Mexico, but in Central America, for example, in El Salvador, it's seen throughout the entire context of capital accumulation: it comes into conflict with, let's say, a process of accumulation of other types of capital. What we observed was that the textile maquila industry in El Salvador appears limited, and when we asked ourselves why, the question arose of whether there are sufficient conditions for a process of capital accumulation—let's put it this way, in comparison to drug trafficking capital—a common, traditional capital, where the workforce that this capital needs can reproduce itself normally, and not with the fear of going out on the street and being murdered on the corner—let's put it that way. And it's as if a dispute arises between what kind of capital can impose... Not impose, but what form the accumulation of capital in that country will take depending on what kind of capital will be valued.

I bring up the case of El Salvador because what's happening with the Bukele government and the entire offensive against the gangs is interesting; what's going on there? If what's happening there is that this surplus population is becoming so excessive, even for drug trafficking capital, then there's a need for the country's capital accumulation to develop other forms of... Anyway, it's not a question we have to answer right now, but I'm saying this to point out that when the total capital of society becomes surplus, it can be expressed through a dispute between different sectors of that total capital.

JIC: No, I understand what you're saying. I mean, at that level, "general" production isn't possible. And so, capital could use the labor force available in that national context for its valorization in the textile industry, but it can't because the conditions for reproducing that labor force—as you mentioned—mean that people can't go out to work normally because they'll be killed on the street corner. These are the concrete realities, and yes, that's the capitalist mode of production. I don't know if you want to bring up anything related to this. Well, I'll take this as my starting point.

What Marx argues is that capital rids itself of the need to support this surplus population and offloads it, he says, onto the working class, onto independent commodity producers. Now, if one doesn't consider this, what one finds is the following. If it offloads this burden onto the working population, since the worker who is currently employed—let's take the best-case scenario—is selling their labor power for its value and now has to support another seller of labor power who can't find a buyer, this has to be done at the expense of the normal reproduction of their own labor power. Therefore, the mere fact of generating this surplus working population means that part of the employed working population can no longer normally reproduce their labor power. And so, if one looks at it from the broader perspective of the movement of capital, capital cannot allow the support of this surplus working population to fall on the workers who are currently employed because otherwise it will run out of labor power reproduced under normal conditions.

So, we have this determination, and Marx is going to say: this is one of the “false costs” that capital has, that it has to support this working population, but he says: well, it gets rid of it by offloading it onto the working class and the small middle class. So, when you look at this, what emerges is: to what extent is this working population, which appears consolidated, not valorizing capital, under the absolutely deteriorated conditions of its labor power, because capital, that which allows it to valorize itself, ensures that the support of this consolidated surplus population does not fall *indirectly* on capital at the expense of the value of the labor power of the workers who are active. And when you look at Argentina, again looking at the political forms, a very marked antagonistic relationship is developing between workers who sell their labor power and those who can't find a buyer for it, with the argument that the workers who sell their labor power are in precarious conditions because they have to support the surplus working-class population. And then another antagonistic relationship appears within the working class itself, between employed and unemployed workers, which in Argentina is becoming very visible, with a surplus population stuck in extremely precarious conditions selling their labor power. The image is, "I'm in this situation because I have to support these lazy bums." [Responding to the chat:] You were talking about retirees, Fernando?

Fernando: No, I'm saying that the most extreme forms of that discourse make it seem like we're in this situation because we have to "support" retirees, or those who retired through the moratorium without contributing, or whatever; but these forms appear that are also an expression of the surplus working population, because that's an expression of the fact that this individual, who is supposedly selling their labor power for its value, didn't do it that way.

JIC: Indeed. The ideological discourse is “intergenerational solidarity”; the reality is that the working population that built up the fund, which they were going to receive when their useful life for capital ended, all that fund that was part of the value of labor power because it was the condition for that active worker to be able to reproduce themselves normally, disappeared through some path that was not the pockets of the retirees, if not, tell me about it, please [rubs his hands].

Fernando: Is another disappearance coming?

JIC: Another disappearance?

Fernando: I mean, with this whole thing about money and all that, about changing it... about taking the money from the house and... [Laughter].

JIC: It's going to take another little cut. Yes, Pedro, you wanted to participate.

Pedro: Yes, Juan. Living in Venezuela, I think that example was quite pronounced here, where a large part of the government, Chavismo, gave a lot of subsidies to that surplus working-class population. I imagine that capital's need was to expand consumption, to be able to buy the products that the bourgeoisie imported here, and so a number of subsidies were given, and that contradiction became very clear, to the point that those workers who sold their labor power were usually against all these subsidies for the same reasons you already argued, and it was as if they had to support them, and well, they were accused of being lazy, sellouts. And the other sector of the surplus working-class population accused the others, well, of being imperialist lackeys, all sorts of those kinds of epithets. And I'm also struck by the point that the left's diagnosis was: they argued that this working-class population that lived off subsidies was the revolutionary subject, and in that contradiction, the "revolutionary Marxist" position was to support those sectors; And well, today none of that remains, but that contradiction was very, very marked years ago.

JIC: Yes, and the idea of the revolutionary subject as the working class isn't just in Venezuela; it also appears here, in different forms (but Edgardo will explain it more precisely): a latent surplus population that survives on the basis of production for self-consumption, is claimed, also presented, as the revolutionary subject, because the image is that it is outside the capitalist mode of production. It is outside the general production process, but it is not outside the capitalist mode of production: it is the product of the capitalist mode of production.

Fernando: Zapatismo?

JIC: Yes, the ideological image of Zapatismo, of peasantism, of…

Edgardo: David Harvey is one of the celebrities who holds that position.

JIC: Well, Harvey, Holloway… what's this Yankee's name?

Edgardo: They call it the precariat now, which is the precarious proletariat.

JIC: That's the revolutionary subject. But what are the peasant movements in Mexico called, "David…"?

Edgardo: David Barkin. […] but well, there's also Armando Bartra...

JIC: Of course. Barkin and I had a discussion at a meeting in Mexico, where it was suggested that these individuals are outside the capitalist mode of production and therefore free, and thus constitute the revolutionary subject. And what one is faced with is this: a surplus working-class population, which couldn't even confront capital to prevent it from making them surplus when they were still participating in the production process, were active in the production process, is now outside the production process. On what basis can they be the bearers of the development of the productive forces and, consequently, of overcoming the capitalist mode of production? But well, these are all expressions of ideological inversions regarding the historical character of the capitalist mode. Yes, Fernando.

Fernando: It's interesting to see the weight that small-scale agricultural production has in certain national accumulation zones, particularly in relation to the consumption of the working class who sell their labor to capital in those zones. I was just observing this; I was discussing it several months ago with Ana Villar, who was looking at it in Paraguay, and I understand that it's quite central in Mexico as well, and here in Argentina there are also aspects related to this issue. I was also talking with a fellow anthropology researcher who was telling me about land use following the 1994 Law of Communities—I think it was with the constitutional amendment—that a rather unusual figure emerged, she explained, where the community owns the land, and it appears as the space where this surplus working class can reproduce itself and produce very cheaply for the consumption of a certain segment of the working class who sell their labor to capital, especially food products.

JIC: We were just talking about that in the previous workshop with Ana Villar, that type of condition, to what extent it is present... not in the case of Paraguay, we were talking about it.

Edgardo: But Fer, I didn't quite understand which figure you're referring to. I mean, the small-scale farmer I was talking about, who exists in Paraguay, and surely in Mexico as well.

JIC: I think that in Mexico, communities based almost entirely on bonds of personal dependence are more prevalent, and that's why the appearance that this bond represents overcoming the capitalist mode of production is so strongly reinforced—the figures that Barkin and Holloway champion. Regarding what Fernando was saying about Paraguay, it's a peasant population that appears as independent producers of commodities, and they don't even earn the equivalent of a wage from the sale of their products; what they earn is less than a wage. So, this type of figure comes first.

When these producers sell their commodities, they sell at a price… It gets complicated because it comes up later, but I'm just stating it as a point of reference for what we're discussing. With the development of the capitalist mode of production, for independent commodity producers who subsist, the price of their commodities is no longer determined simply by value: it's subsumed within the general movement of capital. It's as if they were a capitalist, even though they don't own capital. They're an independent commodity producer who uses only their

labor power; they don't buy labor power, they don't have constant capital. But from the perspective of regulating their participation in social production, they function as if they were a small capitalist who buys their own labor power, and those means of production they possess are equivalent to constant capital, allowing them to sustain production.

Related to this, what happens to them is... something we touched on when discussing the latent surplus population: the means of production can no longer be replaced. This, which appears as their constant capital... (a term that comes later) can no longer reproduce, can no longer recover the value of their means of production. The price at which they sell their commodities, governed by the general movement of capital, doesn't even allow them to obtain the equivalent of a wage. Well, these commodities, on this basis, may be entering circulation below what would be the normal condition of capitalist production (which I don't want to discuss because that's in Volume 3). If capital, to produce this, has to sell it for 100, these producers—moreover, given the competition they establish among themselves and this subsistence limit—can sell it for 50. So, what happens to the difference between 50 and 100?

Let's suppose the value was 100 and this is being sold for 50: who appropriates the missing 50 to reach the value of that commodity? Do buyers in general in society appropriate it because they buy for 50 something that should cost 100? This is one possibility. Or does the classic figure of this, an intermediary who buys for 50 and sells for 100, appropriate it? And another alternative is: it is bought by the workers of capital in general (let's assume, of the capital that normally operates in that territory): the workers pay that commodity for 50, they receive a use value (let's say that this commodity is the only use value that corresponds to the reproduction of labor power), they reproduce their labor power normally if they receive 50 for something that is worth 100, and consequently, when the capitalist who buys their labor power pays them 50, those workers reproduce their labor power normally because they obtained the use values that were needed, but the capitalist sells the commodity produced by those workers at value. So, he kept a mass of value ranging from 50 to 100 because he bought his workers' labor power for 50. Let's suppose that all he does is resell this commodity; his workers paid 50 for it so they could... It's absurd what I'm saying, the example isn't right, but anyway: the workers paid 50 and reproduce their lives normally. The capitalist resells the commodity for 100 and consequently, beyond the surplus value produced by his workers, he kept 50 of value that wasn't produced by his own workers, but rather comes from the value that commodity had in its original production. I don't know if that's clear. And Edgardo in particular, tell me, because it relates to what situation we were talking about.

Edgardo: Yes, yes, yes. I think that happens in Mexico too, but yes.

JIC: So, it's: what role does the survival of this surplus working population play, a population that is actively productive, that produces even under the guise of being independent producers, not sellers of labor power, being owners of their own means of production, and yet selling below value, and so that will generally benefit the population because they buy something for less than it's worth, but

when you look at it, the population that buys are workers who sell their labor power, so the beneficiary is the capitalist who buys that labor power, because he buys it at a reduced price.

Edgardo: Just a quick question, but isn't there, let's say, a legally recognized employment relationship between that capitalist and the independent, commercial producer? All the capitalist does is buy their product below its value.

JIC: It may even be that the capitalist isn't the one buying the product below its value, but rather the workers. They pay less than its value, and then, when they sell their labor power to the capitalist, the capitalist, if the value was 100, pays 50. Now, from the worker's point of view, they received all the use values that corresponded to normal circumstances. But the capitalist, indirectly, benefited from the fact that the formally independent producer of that food, for example, which the worker bought, sold it to the worker below its value. Now, the worker sells their labor power. The problem here is that they sell it at a price that is below the value of that labor power, but from the worker's point of view, this is irrelevant, because they obtained the use value that corresponded to the value of their labor power. But now the capitalist has bought a cheaper labor force thanks to the existence of the small independent producer, and the capitalist or the capitalist class as a whole will be the beneficiaries of the existence of these independent producers.

We need to see what weight these productions carry in order to determine if they actually play a central role, for example, in the reproduction of labor power, or if this happens in this place or that place, where local capital might benefit, but it's not the general condition for making labor power cheaper for capital. This is the figure that emerges and is... Well, in Argentina, it has strong support from the unemployed workers' movements, who work very precariously, producing in a way that appears as independent production, not on an individual basis, but collectively. It's the "community" or collective of the employed workers' movement that will produce as if it were non-capitalist production. Fernando, you say that, and I... I'll cut it short.

Fernando: I wanted to add a couple of things about that. First, the fact that these productions are usually developed through direct personal relationships—family work and so on—and one of the forms of these direct personal relationships that I wanted to highlight, and I don't know if this figure also appears in Mexico, is the work of a community that ideologically claims to be the ancestral owner of a group of lands and organizes its production process in a way that appears ideologically as non-capitalist, and ends up having this role of selling at a reduced price.

And regarding what you said last about the weight of this, it would be interesting to examine the impact of all these proposals on what's called the "popular economy," and particularly the government's pronouncements on the matter. Because, I don't know the current minister's opinion, but I recall a previous Minister of Social Development saying that his plan to lower inflation was to bring the producer directly to the consumer. That way, those 50 pesos in your example, which the supermarket would otherwise keep, would go directly to lowering the price of the product. And so, the government's plan was to expand, if you will, the

production of certain commodities, using part of the value of labor power through these precarious forms of work, and state programs to expand it—the political representative of capital, the entirety of society operating in that way.

JIC: Yes, yes. I suggest that if you'd like, we return to this next time. Because we still need to look at the issue of the overpopulation of the working class; there are two things: […] the limits to the expansion of the relative overpopulation of the working class, the forms that these limits imposed by capital take, and trying to complete the development that Marx makes in this chapter on what the general law of capitalist accumulation is, right? See you in…

Edgardo: We had agreed to discuss a comparison of working conditions in different countries in the region at the end of this chapter.

Pedro: Juan, and you didn't mention Volume 2, about the training of Thomas Friedenthal.

JIC: I spoke with Tomás, who intended to start Volume 2 on May 27th, but I dissuaded him by saying… We're going to try to finish in May, but not before May 27th. […]

[IV]

First, if there's anything from what we discussed last time, let me know. There's nothing new here. We had reached, in the development of the surplus working population, the relative overpopulation of the working class, what Marx would call the "last remnants" of the relative overpopulation. And what we have here is, as we used the term, they are *consolidated* in this condition. What, if I remember correctly, we had touched upon but not fully developed, is the question of when there is too much surplus working population, what forms it takes; how, as Marx says, capital gets rid of the burden, this false cost of the presence of the surplus working population, offloading it onto the active working class, offloading it onto the petty bourgeoisie, but ultimately there is a point at which the magnitude of this consolidated surplus population will directly govern, will directly regulate.

I haven't forgotten (because Edgardo will scold me if I do) the other aspect we agreed on, which was to look at manifestations of the development of this surplus population that is consolidating in different countries, or rather, I had spoken about the only specific case I know of, that of Argentina. I don't know to what extent Edgardo, in particular, since you brought it up, is interested, or how closely he wants us to examine it.

Edgardo: No, with whomever he deems necessary; we don't have to spend too much time there either.

JIC: If you want, I can put it with —I think I've already put it somewhat— an expression that for me is, specifically, very expressive of how capital first takes away the exercise of their capacity to work from this part of the surplus working population and, finally, takes away their capacity to work. And the expression of that is in a substantial part of the public education system in Argentina (with the clarification that public education in Argentina is free, because this condition is not common in other Latin American countries), where one had that the function of the school is for the future worker to learn to work, [...] develop the capacity for collective work, he will not be able to develop productive skills in the work itself, he has to enter with certain general attributes and also, the longer he is in the educational training process, the more universal his labor power is and therefore the more plastic he is to change from concrete work as the technical conditions of production change, because in the value of the labor power of the previous generation is included what that generation that is going to school needs to consume to reproduce its natural existence.

I don't know if we covered this in the workshop, but free public education, from the perspective of all the capital in society, is a source of surplus value appropriation that is released due to the absence of private capitalists in the education sector. Did we cover this, and what is the source of that surplus value?

Edgardo: I think so, but only briefly.

JIC: This is (I have a graph somewhere, but I'll explain it verbally): let's assume that the only use-value the worker needs to consume—and this is the future

worker—in order to have labor power to sell, and then when they are selling their labor power, that is the only use-value they needed to consume, is the educational process. Labor is expended in this educational process, and that labor is provided by public school teachers, who, like any seller of labor power, work a day, and only part of that day is paid. Many years ago, if it ever happened, teachers in Argentina were not paid the full value of their labor power, but let's assume that the paid portion corresponds to the value of their labor power.

If the labor power of workers—and I'm setting aside those in education for now and referring to workers in general—if the education consumed by workers, which contributes to determining the value of their labor power, is private, then the private education capitalist sells that education at its value, selling it for the total amount of labor embodied in that educational process. But since the state, assuming it will have neither a surplus nor a deficit, collects taxes, it indirectly receives from all the capitalists in society a sum of taxes corresponding to the value of the labor power of teachers in free public education. Therefore, the capitalists in society as a whole purchase this labor power not by paying its full value, but by paying the value of the labor power that produced it, and then sell the commodities produced by their workers educated in free public education at their value. And therefore, he bought the labor power—let's say it was a 100% rate of surplus value, half of the paid workday, half of the unpaid workday—at 50% of its value, and he sells the commodity produced by that worker at 100% of its value, and he appropriated the difference in surplus value between the 50% he paid and the portion of the commodity he sells at its value, which is… Because if I only consider this, it's incomplete, and part of the value is missing. That worker produced surplus value, but also, his labor power cost the capitalist who bought it half its value. And so, when he sells the commodity that this worker produced at its value, he appropriates the surplus value that this worker produced, but he also appropriates the surplus value that corresponds to the fact that he paid half the value of the labor power. That part of surplus value was not produced by the worker in general: it was produced by the worker of free public education, which was appropriated by the capitalists in general by being able to buy that labor power by paying for it at the value of the labor power of the teachers of public education and selling the commodity produced for the full value.

Did you understand? There's surplus value there… When the chitterlings are sold [322], a portion of the surplus value that the capitalist appropriates from the chitterlings has been produced by the teacher in the free public education system. Because if the chitterlings manufacturer had had to pay for their worker's private or tuition-based education, and the person who sold the private education to the worker had charged them the full value, then the value of the worker's labor power—in this simple example—would be double what they are paying. That missing portion of the worker's labor power is surplus value produced by the education worker, which the capitalist appropriates from production in general.

This occurs with *all* productive use values produced by the state in general. In Argentina, with privatizations, it's easy to see: when the state produced electricity,

[322] https://es.wikipedia.org/wiki/Chinchul%C3%ADn

even though it also ran a deficit, the tariff it charges is what it costs, […] it doesn't charge the production price of the electricity: it only charges the cost price. Consequently, the capitalist who buys that electricity has a product that embodies a certain amount of labor time and pays for it indirectly—or in this case, directly, through the tariff, which is only the cost price—below the value of what they bought. They sell their commodity at its value; this difference—that they bought, in this case, a means of production below its value systematically, not accidentally, because the one who sold it to them sold it at the cost price—means that they will appropriate more surplus value. This surplus value is not produced by their own workers, but by the workers of the public service. When you look at a whole series of nationalization processes, which go beyond those in Argentina—in France, Italy, Spain, and I believe also in England—in a certain historical period, these nationalizations are designed to sustain production in general within the national sphere: to sell the means of production, the conditions of production, cheaply to all capitalists. It harms the capitalists in education, in the case we were initially looking at, because they can't compete, because they have to sell their product at full value, but it benefits all capitalists in society. Is that clear enough, verbally speaking?

Fernando: There's one thing I never quite grasped about that issue, and I think it's clearer in the example of electricity production. What happens to the necessary part of the innovation in the production process that's channeled into the valorization of capital, that is, into an expanded reproduction of that capital? In the case of public companies, that profit component isn't there, so there 's no expanded reproduction. Perhaps it should be channeled through a tax increase necessary to fund innovation.

JIC: Yes, or in a stagnation of productive capacity, which in the long run will be reflected in higher energy prices. To clarify: in the case of these nationalizations (in Argentina as well), where the rates for the sale of so-called "public services" are below the cost of production, this doesn't necessarily translate into surplus value for these capitalists. Rather, it becomes a means of survival, because they can't sell the commodities they produce at market value, or their other production costs are so high that they couldn't cover them without this low price. So, indirectly, in that case, it's also surplus value that remains for this capitalist, but it may be the only surplus value that remains for this capitalist. It's possible that they can't even extract surplus value from their own workers because labor productivity is so low that, even though they work full days and receive the value of their labor power, in competition they have to sell below market value, because otherwise, they can't sell at all. So, well, that's where a whole series of complexities arises.

Now: if I go back to the subject of education, that was the story of free public education in Argentina, and from the moment the general form of capital accumulation changed (something we also saw, I think we saw in general, that happened from the mid-70s to the early 80s), the working-class overpopulation began to multiply, and there began to be a massive population consolidated in this condition of surplus, a stagnant population that could no longer reproduce itself… Which has concrete expressions such as, I never remember who it was, but it was one of the two right-hand men of Martínez de Hoz, the Minister of Economy of the

last dictatorship (I have the misfortune that I remember the name of the other one and never this one) who argued that Argentina was a country for 12 million people, and the Argentine population was 24 million people. And then there have been those who have repeated this, and in general, it always only works out halfway, which means the population grew, and the proportions of how many people Argentina is meant to serve grew. What this shows is an increasingly large, consolidated surplus population. What does that reflect, this population unable to sell its labor power?

On the one hand, it begins to fall into what Marx describes here, into pauperism, where one can only live off what appears, in the terms of Marx's time, public charity. Then, programs appear that compensate for either selling one's labor power below its value or the outright impossibility of selling that labor power. And at the same time, schools, especially primary schools, but now it has spread to secondary schools in many areas, become the places where the children of working-class families, in this situation of consolidated surplus, go only to eat. They are in such a state of malnutrition, exhaustion from child labor, and desperation for food, that the only thing they can do is go to school to eat. So, for me, that is one of the starkest expressions of the transformation of the Argentine working population en masse into a surplus population that is not simply stagnant, but is already consolidated in this condition because it no longer has labor power.

This had an initial political impact, which I suppose it still does, but it was brought to my attention many years ago, about 15 years ago, by a political activist at a university in an area with a large, consolidated surplus population. There was a lack of discipline within the movement: individuals would commit to a task but not keep to a schedule, wouldn't show up, and so on. And in reality, you acquire that discipline in the work process; outside of work, you become indifferent to the time of day, to your commitment to collective action, and this begins to manifest itself in this way.

Now, I always use this example as one way to describe the surplus population that's stagnant in Argentina, but I also use another expression that I think we've already discussed here, regarding other Latin American countries. We locals know the scope of this term, but one of the expressions that's appearing now is: workers who are fully employed and legally registered, but whose income places them below the poverty line. I didn't finish watching the news report today, but it seems a union leader said that this isn't actually the case, because that's when you look at the situation by assuming there's only one income per family. But in reality, not all of those who are formally employed and working legally have two incomes, and those two incomes together are above the poverty line. When a union leader says that, it makes it clear what the presence of the surplus working population means.

Fernando [Chat]: Below the poverty line, which does not include rent.

JIC: Yes, it's a poverty line that doesn't include rent, which assumes that a family that doesn't have enough to eat does own their home. This condition, which in a certain historical period of Argentina, with varying degrees of precariousness, could be considered not universal, but rather widespread, and that's no longer the

case. After 25-30 years of this situation, it's no longer the reality, and furthermore, a precarious building where a number of families were renting or sharing a home has just collapsed, showing how far the working-class population is from owning their own home.

I'll take the other example from the University of Buenos Aires, and I think it's common to Argentina's historic universities. Newer universities have a much larger budget per student than traditional universities. And the situation is this: 60 years ago, this figure we discussed last time— unpaid, *ad honorem professors— didn't exist.* Now, in the case of economics faculties, not long ago they made up 50% of the faculty. This shows how the tenured professors, who also had the salary of a federal judge (I'm now an *ad honorem tenured professor,* so I can compare myself to that), have become part of the surplus working class, and how the students who attend these universities are also part of that surplus working class, not only because they face the double burden of having to sell their labor power while also producing their future labor power; If this mass of teachers' labor were not available for free or sold far below its value, the university could not sustain the training of its current student body. Therefore, what this demonstrates is that capital in Argentina needs workers who have undergone university education—and the number of workers is growing—but one of the prerequisites is that these workers have financed their own production as workers with developed productive skills, or that the teachers have sustained that production at the expense of the conditions under which they sell their labor power.

I should clarify that private universities, I suppose with a few exceptions and for some professors, are worse than public universities; they have more precarious employment conditions for their faculty than the University of Buenos Aires. But this is an expression of the growing number of people who are becoming increasingly marginalized, no longer having labor power to sell. Ideologically, this will be reflected in the increasingly antagonistic nature of solidarity within the working class between those who sell their labor power—under whatever conditions, precisely below its value—and those who are marginalized and unable to sell their labor power. This is partly due to what Marx says about capital getting rid of the burden of the surplus working population and offloading it onto the working class. What emerges is the image of the working class that sells its labor power clearly below its value and pays taxes—not income tax, but taxes like VAT—which are vehicles for driving the price of labor power even further below its value. They think, "Tell this guy who doesn't work and gets paid that I'm breaking my back under these conditions to earn a pittance, and now I have to support this bunch of lazy bums who don't work." And this is playing a significant political role in Argentina and in the future that awaits us. But these are the forms that the development of this surplus population is taking.

I don't know if it's worth bringing up any more, I don't know, Edgardo, Pedro, Javiera, and Xatan, if they want to bring things up regarding their national spaces... […] So, we'll move forward. I remembered today in the other workshop that we have this one and at most five more meetings, because I promised Tomás on May 31st that the workshop was finished, so we're going to keep moving forward.

There was one other thing missing, which is the liquidation of that surplus working-class population. Indeed, references to the forms had appeared.

Wars are forms of annihilation of surplus working-class populations, something that historically had this character in armed conflicts between more or less equivalent or comparable national processes of capital accumulation. The example was among European countries, where the struggle was for the expansion of the internal market, for who could expand the space so that their capital could accumulate and reach the necessary scale to fully develop their power. And what happens after World War II, where wars have a strongly asymmetrical character (the current one between Ukraine and Russia has a particularity that never existed before), but which are very markedly between a national process of capital accumulation where accumulation is expanding and a national process of capital accumulation where what had historically been generated were masses of latent surplus population. This is the case of the Korean War; it is the case of the Vietnam War; it is the case, with one difference, in the Iraq War, because there oil is at stake; it is the case in Afghanistan… It is the case of a series of armed conflicts in Africa; In Latin America, some appear like this, there are even some from an earlier historical period… Where there is a very large asymmetry in what the liquidation of the population means, no matter what they are, because one's is at most counted in hundreds of thousands, and the other's is counted in millions; the case of the Vietnam and Iraq wars are the most brutal expressions of this.

So, there are processes of annihilation of the surplus working population that revolve around competition to occupy a space for capital accumulation because there is a natural condition, a natural means of production that is of particular interest, as is the case with oil. There are wars between latent or consolidated surplus populations over which one survives, and the historical example of this is the conflict between the Hutus and the Tutsis in Rwanda, which involved masses of latent surplus working population stabbing each other; if I remember correctly, there were 800,000 deaths in that conflict.

Chronic illnesses, where medication is available, imply a workforce being sold under certain conditions, while acute illnesses occur in territories where medication is unavailable (as is the case with AIDS). There are also processes of involuntary sterilization, particularly of women, which I understand to be one of the most striking examples of in Peru. And I always frame this in these terms: what clearer proof is there that limiting the expansion of this surplus working population is a necessity for capital, than the fact that the World Bank manages birth control programs? When you see a bank managing a process of human biological reproduction, it's clear that it's an expression of capital's needs; so, when there's too much of a surplus, capital begins to impose limits.

And an example of this, which I had forgotten to mention, appeared very clearly in the war in Iraq and is now appearing in Ukraine. […] In the Iraq War, the U.S. Army recruited citizens from Latin American countries, members of the consolidated surplus population, with the promise that if they survived the war they would be given the *green card. They* were going to be able to work legally in the United States. It's an army made up of surplus working-class people who are

going to wipe out another surplus working-class population. And now, in Ukraine, there are mercenaries everywhere, and except for unbalanced individuals, the mercenaries come from what Marx called the *lumpenproletariat,* which is part of that population that is entrenched in its surplus status. Well, I don't know if you want to bring this up further.

Fernando: What is the particularity you see in the war in Ukraine, Juan? You said it has a particularity.

JIC: The fact that the side that could have a highly asymmetrical relationship has NATO support means it lacks asymmetrical force. Neither Vietnam, nor Afghanistan, nor Iraq, nor Korea at the time had a constant flow of weapons, funding, or sanctions to the other side that would limit the exercise of asymmetrical force. Another characteristic is that both sides are full of surplus working-class people who join as mercenaries. This is an expression of the transformations of the capitalist mode of production, because one of the things that emerged (let's put it this way) with the French Revolution and the concept of citizenship is the citizen army, which replaces the mercenary army. It even has a name… And this is the army inherent to the capitalist mode of production until these recent wars, which manifested itself in mandatory military service for men—due to issues related to the nature of warfare and so on, and the reproduction of the population. But that's what it is: it's an obligation as a citizen. And we've already seen that the relationship of citizenship is this condition of personifying the unity of the movement of the total capital of society. And the armies of citizens disappear when masses of surplus working-class population develop throughout the world. I think there are still places with armies of citizens, but mercenary armies appear... Argentina has a mercenary army, in the sense of... It's a seller of labor power incorporated into the Army; it's not incorporated by virtue of being a citizen.

Fernando: I think there's a point there... I see it as an expression of the new International Division of Labor, where in areas with a surplus working population that is stagnant, consolidated, or even latent, one of the flows of that surplus working population is to feed the war machine of these countries; but it seems to me that a part of the army, especially the officers, has always been professional and salaried.

JIC: Yes, but it doesn't appear under the guise of a mercenary. It wasn't a business. Now it is. Notice that what appears ideologically is an affirmation of the condition of being a citizen who is willing to sacrifice himself for the homeland. Let me clarify: when there was mandatory military service, conscripts received an absolute pittance, but not as payment for service. Rather, it's: well, since you're incorporated here and you have consumption needs beyond those supplied by the organization itself (because theoretically clothing, food, housing, all of that was provided), so you don't have a salary, the homeland gives you something so you can satisfy other needs. But it's different, because that condition is patriotic.

Fernando: No, that's why, that's why I think there was the conscript, which is the situation you're talking about; there's the officer corps, which is the

professional military career, which is a salaried position, which appeared and I understand still appears in the form of service to the homeland, and then what we have now are directly mercenary private military forces hired by countries, where they have their own professional officer corps of all salaried employees, where the figure of service to the homeland has disappeared because there is no specific homeland they serve, let's say, it's a private army.

JIC: The only homeland he serves is money, exactly. I think that, in part, the technology of war also brought about changes in the type of individual needed for… Whether a massive army is needed or an army with more developed professional skills. Xatan, did you want to intervene?

Xatan: I can elaborate a bit, but what I wanted to mention is that, if I'm not mistaken, in both Ukraine and Russia, there have been calls to arms by the government; that is, there's mandatory conscription, beyond those mercenaries that have been mentioned. It's very evident in the current conflict in Bakhmut, because they are the main forces there. I have colleagues in Russia who tell me they've had to, not flee the country, but go into hiding, because after a certain age they are forced to join the army; it's not voluntary. And on the other hand, for example, in Russia, we've also seen the recruitment of people who are in prison. When we were talking about the *lumpenproletariat,* it's even clearer there how capital—the surplus working class that is in prison or doesn't function within society—is recruited into the army with the promise of a pardon, even if they end up as cannon fodder.

JIC: That last one, the mandatory conscription thing, yes, but I didn't know about that last one, that they were recruiting...

Xatan: Yes, they're releasing soldiers from prison. There are videos and such... I think this isn't unique to this war; I think it's done in general. But it turns out that in Russia, if I'm not mistaken, several people in prison serving life sentences are promised a pardon if they join the army.

JIC: Okay. With that, we can continue, because now we come to what Marx will present as the general law of capitalist accumulation. Don't you want to discuss all of this further, in more concrete ways? We won't sleep tonight if we continue with these perspectives [Laughter].

5. Illustration of the general law of capitalist accumulation

Let's move on, then, to what Marx continues to develop. He has all these expressions of the working class as an attribute of capital, and this, which I believe I had already mentioned, is that when it is the working class that holds in its hands the effective management of capital and the development of accumulation based on the production of relative surplus value, therefore the development of machinery, which at the same time is the development of the productive forces and therefore is the development of the human potential to reproduce itself and is the affirmation of this genetically human being, the capitalist form that contains this

last point I was saying, of a working population that is even stripped of the generically human attribute that is the capacity to work.

So, Marx, what was it that was progressing several times over in this development? The more accumulation develops, the more it multiplies, the more the mass of capital grows, the more the mass of the proletariat grows, the more labor productivity grows, the more the industrial reserve army grows. The same thing that causes capital to expand also causes the labor force available to capital to expand, and thus the industrial reserve army grows, and the more the consolidated population—this is where Marx uses the term—grows, a population that, in order to sustain itself, works under increasingly brutal conditions, and has less and less possibility of supporting itself with that work.

And then, what follows is this: the more this misery grows, this part of the working class that has fallen into misery, the more, he says, "official pauperism" also grows, which is this: there is no longer enough labor power to sell, and the state, since these are individuals who are still alive, has to sustain the reproduction of the natural life of this population. And he says: this is the *absolute general law* of capitalist combination, which—he will say—is not imposed simply or immediately, but rather through movements that can imply a sudden decrease in the surplus population, and he says that we are not going to analyze them here. So, we have the proposition of this general law, which he says is absolute in capitalist accumulation, it is the growth, the multiplication of the surplus working population.

And then, Marx's critique is directed at the ideologues of capital, the economic experts, who claim that the existence of this growing surplus population is actually the fault of the workers who don't adjust, who don't adjust their growth to capital's needs, to the demand for labor power. What capital *always* needs is this surplus working population, this reserve army of labor, and so there is an ever-increasing portion of the industrial army—that is, of the working class—that is selling its labor power, and an ever-increasing number of the working population that falls into pauperism.

Fernando: I didn't understand, Juan, who that criticism was directed at at that moment.

JIC: It ranges from Malthus's ideas to… I don't remember if he names specific individuals, but it's this: it's the idea that the fall into poverty is because people have too many children, this population grows too much. That's why the problem is: they should have fewer children to meet the demand for labor; and capital, first of all, always needs this relative surplus of workers, and furthermore, it fuels its growth with a mass of this population that can't sell its labor power. And the discourse constantly appears that: they have to control themselves, control the birth rate, they have to… They don't want to work, it's the fault of the working population.

Fernando: That argument even appears explicitly in Smith and Ricardo, because what they see is that if wages fall, population growth has to fall, discouraging the growth of the working population.

JIC: The thing is, Ricardo's argument is with Malthus. There's a general development, but Malthus is the one who comes across as arguing that population grows geometrically while food production grows arithmetically, and that therefore workers should have a rising birth rate, and that because of this, food becomes scarce, more expensive, and… well, Malthus never uses the exact wording, but real wages get lower and lower, and if workers had fewer children, then there wouldn't be so much demand for food, less fertile land wouldn't be put into production, and food would be cheaper. I don't know if that's Malthus's exact argument, but I mean, what underlies that argument in the discussion with Ricardo is this kind of approach.

[…] So, the synthesis he's going to make is that the working-class population always grows faster than capital needs to exploit it *under normal conditions.* And then he goes on to synthesize what has been observed regarding what happens to the worker's productive attributes, what happens to the worker's productive subjectivity as methods of increasing labor productivity, governed by the production of relative surplus value, develop. And then what will emerge is this: the individual worker loses these attributes; every technical improvement, everything that develops labor productivity, from the worker's point of view appears as an intensification of exploitation and the enslavement of the worker, turning them into a fragmented individual—performing increasingly partial tasks—turning them into an appendage of the machinery, emptying their work of all content. This is what emerged: if the worker, the direct producer, had control over their individual labor, now all those spiritual powers—they are placed here—of the labor process are incorporated into science, and science, in what Marx proposes, confronts the workers as an independent force. They deteriorate all working conditions, extend the working day, all the hours of the workers' lives become working hours… Here, expressions of the time appear, because it says: they throw their wives and children under the grinding wheels of capital, where a situation is implied in which women would not be sellers of labor power; it is taken as a situation in which women are transformed into sellers of labor power as a process, let's call it, purely negative. And so, all these forms that occur from the point of view or from the pole of the workers are multiplications of the accumulation of capital. And here an observation will appear.

The observation he's going to make is that it doesn't matter, he says: all these conditions will worsen the worker's situation. It *necessarily has* to worsen, he says, as accumulation develops, regardless of the wage, whether it's high or low. And what emerges here is that all those conditions mentioned earlier inherently diminish the value of labor power. What does it mean for the wage to be "high" or "low," but specifically, what does it mean for it to be high? And this appears as a clarification that doesn't quite align with the previous argument. And then he says: the same law that maintains the surplus population keeps the active worker tied to capital, because the competition to avoid becoming surplus forces them to submit completely to capital. And so, the summary he's going to offer is: this law mentioned earlier is an accumulation of misery—that was already established—and at the same time, it's an accumulation at the pole of capital. At one end there is the accumulation of wealth, and at the other end, the producers themselves, whose

product takes the form of capital, experience an accumulation of misery, of toil, of slavery, of despotism, of ignorance, and of moral degradation. This is the point at which Marx arrives with the full development of his argument regarding the accumulation of capital. And he will synthesize it as this general law of accumulation.

[…] I make an observation: here we see the fullness of capital as the concrete subject of the social life process, synthesized in this general law of capitalist accumulation. And during a historical period, particularly with perspectives limited to certain European countries or focused on the US, it was asserted that this was false, because where the capitalist mode of production developed—these national spaces—the surplus working population disappeared because unemployment rates were low and there was clear growth. The value of labor power was never discussed, only real wages. And that capital accumulation, far from leading to this general law of misery, brutalization, etc., was the opposite of what happened in national spaces where these conditions were not present and where this general law of capitalist accumulation seemed to prevail: poverty was caused by the insufficient development of the capitalist mode of production. Then, all the theories of development and underdevelopment emerged, encompassing this type of inversion.

When one looked at the global unity of capital accumulation at that time, what one saw was that, on the one hand, there were indeed workers who were developing their productive attributes, their condition as subjects of the material production process, who had a shortening of the working day due to the increase in intensity, etc., and there was relatively, comparatively, little surplus working population (beyond the fact that these were national spaces that had just emerged from World War II, and shortly before that there had been World War I, so there had been significant reductions in the working population), when one looked at the global unity, one saw that along with that, in the rest of the world, what was developing were masses of latent surplus population. And in the mid-70s and early 80s, two movements became evident: the use of a portion of that latent surplus population as a new labor force under extremely cheap conditions for capital, and in national spaces where the fantasy had developed that the surplus population no longer existed and that the law of capitalist accumulation was the general law of capital accumulation—which was false—now a consolidated surplus population abounded. This is what one can observe in this regard, considering what Marx is saying: well, this is a general law, imposed through a whole series of concrete forms that are complex, diverse, and fluctuating, but above all, one must look at the global unity of this accumulation movement to recognize the general movement. I don't know if you want to raise any points.

Edgardo: Juan, yes, I just wanted to make a brief comment. I also don't know if what Marx is proposing here […] also gives rise to all these ideas that emerged in the 20th century regarding the pauperism of the working class, the theses of underconsumption, and that in fact that was the foundation, so to speak, of the revolutionary subjectivity of the working class. Because, let's say, there are indicators that improve as time goes on, so that's what makes me doubt it.

JIC: There are several things here. Well, regarding pauperism as a revolutionary subject, let's leave that for the penultimate chapter, the next one, because it deals with the historical character of the capitalist mode of production. I do think that at this point it's worth noting—I don't know if it was ever raised so openly in Mexico—but the issue of marginalization, which refers to a population that is already on the margins of the capitalist movement, that capital considers surplus and useless, and that is no longer a relative surplus of the working class, not a surplus working class, but rather they have been expelled from the capitalist mode of production and are on the margins of it. My point is: they are not on the margins of the capitalist mode of production; it is the capitalist mode of production that determines them as surplus. They are on the margins of the social production process insofar as they are unable to participate in that process under normal conditions, but they are not outside the capitalist mode of production.

Now, regarding the other point you raised, I at least associate it with this. Here, Marx is looking at a degradation of the productive attributes of the working class, especially the individual ones, which is the image with which he concludes his analysis. And when we stop to look, what we find is that, while all these conditions apply to a portion of the working population, another portion is not immune to falling into these conditions, but capital needs them reproducing under normal conditions; and these normal conditions presuppose a longer natural lifespan, a longer educational process, the consumption of a greater quantity of use values… all in service of the needs of capital. But this subject doesn't appear in Marx's analysis, and later, as we continue, we can consider what might explain why it doesn't appear but could have.

So, that 's one thing. The other thing about the improvement indicators, which are based on the World Bank's calculations, one of the indicators is what proportion of the world's population lived on less than one dollar a day, what proportion on less than two dollars; now I've found that they've raised it to five dollars. I don't know if this is what you meant by "improvement."

Edgardo: Yes, yes. It's just that many people... mostly on social media, I don't know, libertarians, etc., use very vulgar expressions, which are precisely "refuting" Marx by saying: but look at all these indicators, Marx was wrong. That's why I say it, more than anything.

JIC: This is still being said. Looking at Western European countries and the United States, in the 1950s, 60s, and 70s, people claimed this was the example, ignoring the other side or presenting it as the inverted effect of underdevelopment (these improvement indicators weren't shown because the surplus population was multiplying rapidly). One of the misleading aspects of these claims is that extreme poverty rates have now improved, which used to be defined as $1/day… But I wanted to clarify: it's $1/day in the US, it's the basket of commodities that can be bought with $1 in the US, not what $1 buys in each country. And also, since I believe this must have started, if not in the 1950s, then around the 1960s, and there's a huge difference in purchasing power between $1 then and now, they adjusted it; They kept saying "less than $1", but it wasn't $1 anymore, at one point

it was $1.80, something like that, and I suppose this "$5" thing now must be the update of that purchasing power.

I looked at a fairly up-to-date statistic that mentioned $5 a day, and that half the world's population lives on less than $5 a day. Then I looked up how much a Big Mac costs in the US, and it costs $5.50. That's all that half the population, 47%... *Extreme poverty decreased for them,* but it increased because the world's population is growing. So, a smaller proportion is in extreme poverty, but a larger mass of people are living in poverty that's considered to be at the level of hunger, something like that. $5 means this, and that's all the income that part of the population has, so... And there's a decline in a number of indicators, some of which is attributed to the pandemic, and the question is what will happen when this thing that's always about to happen finally happens—it hasn't happened yet, but it's gradually advancing—which is fully expanded automation through artificial intelligence. There are estimates, I don't remember them now, of the number of workers that will be surplus in the different branches of production: what will happen to the surplus population? Because it is one of those moments in which there would be an explosion.

So, when the development of technical conditions meant that a whole series of production processes were moved from countries where they had previously been carried out with relatively expensive labor to places with extremely cheap labor, that was one phase. This phase corresponded to an increase in the surplus population in countries that originally didn't have a significant surplus population—apparently—but also to an increase in employment among what was a latent surplus population, living in extreme poverty, and that's why the indicators of extreme poverty improved. What will happen when part of that extremely cheap population also leaves the production process through automation, and the population that does the most complex work also becomes surplus due to this development? If this decrease in poverty at one pole isn't reversed… The increase in wealth at the other pole is undeniable, because Piketty's point, that 1% of the world's population holds 90% of the wealth, is increasingly being made, but there's no doubt that wealth is accumulating at one pole.

So, all of this encompasses a movement that, in my view, is missing from Marx's argument: the movement toward the scientific organization of labor in the capitalist mode of production being an attribute of the working class. Up to this point, in what we see of Marx, it's alien, external. It's not clear who the subject is: it's not the capitalist class, but neither is it clear who the subject of the development of science is. And so, when we look at the segment of the working population that has been increasingly transforming the conditions for selling their labor power because the materiality of their work has changed, that segment doesn't appear here. Therefore, we have to subject this argument that Marx makes to criticism, to see if it's really just like that, or if it has much more complex forms… That discussion remains open.

Now, the abstract arguments that poverty has decreased… Just today, preparing for tomorrow, I was rereading *Wages, Price, and Profit* and I came across this sentence that says: economists, or whatever they are, who focus on the positive,

relative evolution of wages, but not on the absolute value of wages. And it reminded me of a conference I attended, where a group of Chinese economists were presenting precisely that. They said, “You can’t accuse the Chinese economy of competing on the basis of low wages,” and they showed a graph where, compared (I think) to American wages, Chinese wages had risen enormously more. But the problem is that Chinese wages started from a level that was much lower than the American wages they were comparing them to. So, I remembered this; it came back to me, but all these complex movements are emerging.

How far will this mass of surplus population stagnate in a state of consolidation...? It seems likely to multiply, unless labor productivity grows so much that there is an expansion of social production in general, and this expansion of social production absorbs a mass of living labor force... Unless one focuses on that, the surplus population is multiplying, and misery is multiplying universally. There are places where this isn't happening, and they are significant, such as China, and now supposedly India, but the mass of surplus population living in misery doesn't seem to be decreasing in absolute terms. So the question is, what will capital do with this mass of surplus population that hinders its valorization? In Argentina, it's so clear that this hinders capital accumulation that... I mean, the entire accumulation of capital in Argentina is sustained by a surplus working population, but there's a segment so superfluous that even paying them below market value makes it impossible to utilize them, and it's becoming increasingly evident that this impedes the movement of capital: these people must be eliminated. And from the perspective of the political action of the working class, this contradiction arises: among the active workers, what Marx calls the "active army," who compete for the sale of their labor power under these precarious conditions with the surplus working population, to what extent will the active working army not demand the elimination of this surplus population? The "mildest" form—it's ironic—is the reduction of subsidies and social programs, which means more, more acute, misery; and there are other proposals that seem to focus on how to physically eliminate this population as quickly as possible. But oh well, that's what we have to work with. I don't know, Edgardo, if you wanted to bring something else up.

Edgardo: No, no, everything's fine.

JIC: Well, what follows in the chapter, which is quite long, is the concrete manifestation of how this process unfolds. And what Marx is going to argue is that England is the place where all the forms characteristic of the capitalist mode of production are most developed, and so this is the place to go and look at the concrete forms of this movement. And then he's going to take that case and develop it. My suggestion, which is what I always made in the workshops, is, unless you want to look at some particular aspect, to read this but not dwell on the development in the workshop, but rather to read it in a way that questions what we were just discussing: to what extent some forms continue to exist and others no longer do. I don't have it written down here, but if I remember correctly, somewhere in the development of this chapter Marx makes some reference to the class struggle; but in general terms, this is the suggestion, and then going into the

chapter on primitive accumulation. I don't know what you all think. I want to look at the part about the class struggle, but I don't remember where it is.

[…] Should we do this, or should we start now with the chapter on primitive accumulation? […] In any case, a workshop synthesis meeting always makes sense, which means going beyond the development of what's already come up. And I want to ask you, precisely, in contrast to this worker, what happens if we look at Marx's development in the chapter on primitive accumulation, considering what we saw regarding the transformation of the materiality of workers' labor; the development of science, both in terms of control over natural forces and the movement of the unity of social production and consumption—what happens if we look at this same development adding that? So I think we'll be able to wrap up the workshop in May. See you next Wednesday.

Edgardo: Also for this last chapter...

JIC: Excuse me, Edgardo, because it's my fault: it's not the last chapter, it's the penultimate one. I always say, "This is the last one," and then I remember there 's "The Modern Theory of Colonization." But after you've read the penultimate one, it has a much more limited scope; it's about seeing where the capitalist mode of production is headed, how it's moving toward its overcoming, how the "resurgence" of independent commodity production in agricultural colonies isn't... It's about (I don't want to give too much away, but anyway) how the capitalist mode of production arose from the production of simple commodities, how the simple production of commodities arises from the capitalist mode of production. That was the theory of colonization: the ideological fantasy of this "resurgence" of production by independent private producers through agricultural colony programs... Marx looks at it in the US, in Australia, and says: what appears there is a failure to realize where that same thing is headed tomorrow. But then, it's a chapter that might still be relevant in relation to what you were saying, Edgardo, what we were talking about last time, the image of who the revolutionary subject is; not because of the resurgence of the commodity producer, but because it appears as if it were simply a commodity producer. But that chapter always ends up being neglected in the workshop to give priority to the previous one [Laughter]. See you next Wednesday.

Chapter XXIV. The so-called primitive accumulation.

1. The secret of primitive accumulation.

Is there anything from what we've been seeing regarding the "General Law of Capitalist Accumulation" that we can revisit, or are we moving on to primitive accumulation? Let's move on to primitive accumulation. What will emerge here? We need to look at how Marx developed the concept of capital accumulation in the previous section. When we examine accumulation, what emerges is what happens to the movement of total capital in society. In production, it has unfolded in all its concrete forms, culminating in the development of "machinery and large-scale industry," as Marx presents it. This implies that the worker, the working class, is neither the subject of scientific production nor the subject of technological development. Science appears as something alien, a power that is foreign, even depriving the worker of what little remained of their intervention, their subjectivity in the production process. What emerges is the worker transformed into an appendage of machinery, with increasingly simplified labor, and so on. Then, the development or transformation of the materiality of labor emerges through the system of machinery, where science and technology play a central role. Workers no longer appear as subjects of the production of that science and technology; therefore, their transformation in the materiality of their work is limited to controlling the machinery. They no longer operate the tools; they stand at the side of where production flows. Their function is to monitor the machinery, clean it, and so on. These maintenance workers will appear, whom Marx describes as possessing a mixture of scientific knowledge and manual, artisanal skill. So, this is the first stage. I want to emphasize this because, in the development we undertook after following Marx's work, we examined the complete transformation of the materiality of labor.

When one proceeds on these grounds, and what one observes is the movement of total capital in society, in the movement of reproduction on an expanded scale—essentially, what qualitative changes occur through this quantitative multiplication of capital—what emerges, what remains of this movement of capital reproduction, is that it has no limit, no end, that it can always go beyond itself. And so, in light of the way the exposition has been developing, what Marx will propose is: well, if one looks at it from what has been observed there, the capitalist mode of production, the accumulation of capital, reproduces itself indefinitely. Capital generates surplus value, surplus value generates capital, and it seems that there is no point of overcoming this movement. And so, what he will propose is: well, if we are facing a movement that has this character, what we have to do is look for the starting point *before* this process of reproduction. That is to say, there was a time when capital was not accumulated surplus value, because capital had never been set in motion. Consequently, what we need to look for is that point where capital did not produce itself, but rather is the starting point of the capitalist mode of production. And this will be referred to as the process of the *primitive accumulation* of capital.

And the chapter's title isn't "Primitive Accumulation": the chapter title is "So-Called Primitive Accumulation." Why "so-called primitive accumulation"? Because what will appear is the myth of the origin of the capitalist mode of production, which, at the time, was called "the origin of accumulation," "primitive accumulation." And so, the first thing he's going to address is the *myth of primitive accumulation,* and that is: where did the capitalist mode of production come from? It's that in ancient times, the human population was divided into two types of individuals: a hardworking, intelligent, and thrifty minority; and a lazy, wasteful majority; and that, from the former, the capitalists descended, and from the latter, the workers. And he uses irony to contrast the original sin of the Christian religion, "you will earn your bread by the sweat of your brow," with this original sin that, he says, has freed some individuals from the need to sweat for food. […] What it's suggesting is this: well, those who were lazy and wasteful were left with nothing but their labor power to sell, while those who saved, were hardworking and intelligent, freed themselves and their successors, became owners of the means of production, and are freed from the need to work. I'm going to focus on something that I think is worthwhile, which is what economics says, how the neoclassical school explains, what's implicit in the neoclassical school's explanation, regarding why there are workers and why there are capitalists. Because this is precisely what this myth is, presented with a pseudo- scientific foundation.

Neoclassical economics says—I think I mentioned this before—that every human being isn't born with a silver spoon in their mouth, but rather with a good: leisure. And since they have plenty of this good, but not much else, the marginal utility of that good is very low, and they have to exchange it for something else; they have to sacrifice some of their leisure time by working to earn an income. Those who don't sacrifice their leisure time live in poverty; they don't have enough to eat because they aren't willing to sacrifice it. And so, at the beginning of human history, the vast majority, as Marx describes them, chose to keep their leisure time, and today they have no choice but to sacrifice it and work instead of enjoying it. What happened to the other part of the population? What is a capitalist? A capitalist is an individual who, instead of enjoying their leisure time, worked and sacrificed themselves and didn't consume—which is exactly what Marx says in the reference. Previously, the explanation was that people "abstained" from consumption. Now ("now" refers to the entire century since 1918, I believe the year of Marshall's book), the explanation is that they waited to consume. And since the marginal utility of commodities decreases over time—if one possesses the good and time passes—to compensate for this decrease, one must receive interest, which is the compensation for the sacrifice of utility made. One of the things Samuelson, Nobel Prize winner in Economics and a leading figure in neoclassical economics for a long time, said was that the rudimentary and primitive state of society was a society with very high interest rates because time was so scarce. Therefore, since those who sacrificed themselves in that rudimentary and primitive state obtained a very high interest rate, accumulation also accelerated. So, this is the concept that economics students universally learn—not presented as a myth, but as the starting point.

When is it necessary to historically justify the difference between capitalists and workers? Well, let's look at what Marx proposes. He makes a reference to the

question of property. He names Thiers as a proponent of this fantasy; and what he starts by stating is that, in the actual history of that primitive accumulation, there was "[…] conquest, enslavement, theft, and murder; violence, in a word [323]." And yet, in political economy, what appears is this idyllic process, where he ironically states that from the very beginning he saw "the law and 'labor,'" he says, "excepting, of course, 'the *current year,*'" [324]where everything is justified and labor has the characteristics we've been discussing. And so, what he argues is that the forms that primitive accumulation took are the opposite of an idyllic process.

Now, I propose we do this (we can do some parts and some parts). Marx's analysis involves examining a whole series of concrete manifestations of this process of primitive accumulation, the exercise of violence against entire populations, forced labor as opposed to free labor, and the annihilation of populations. (I'll make this point now) he repeatedly refers to the role played by the conquest of America, and what is now known as Latin America, in this process of primitive accumulation. The synthesis of this movement is how it begins with a society essentially governed by relations of personal dependence, and how these relations of personal dependence are violently... The very starting point is these relations of personal dependence, but how these relations of personal dependence dissolve and transform into the market relationship, the relationship between wage labor and capital. So, we start from modes of production where the direct organization of the social metabolism process is paramount, and we move to the origin of a mode of production where the indirect organization of social labor, governed by capital, is paramount. And how (I want to emphasize this) these direct relationships are the drivers of capital's development. It's not that they were simply replaced overnight, but rather how the management of the subjects who carried out these direct relationships engendered this entire indirect mode of organizing social life.

So, it has a very detailed account of the whole development, particularly regarding England, but it also has references to a whole series of other processes. And here there are a whole series of discussions, particularly among Marxist historians, about whether the approaches he refers to in England existed in this other place, or existed in that other place, or whether in reality they didn't exist because there were no such approaches… The concrete forms of this movement are diverse, multiple. What I'm going to propose based on this are two possibilities that are linked. One is that, unless you want to look at some specific aspect in particular, or the development of the historical process, we wouldn't dwell on that historical process: we would go to what, in my understanding, is the content that Marx will show that this historical process contains. An intermediate alternative is that we take a very broad look at that historical process of the genesis of the capitalist mode of production in America; This is what Marx describes as *conquest,* but if we do that, I can summarize it in a very, very general way, which I know particularly from Argentina, from the historical origin of the genesis of this national space, the accumulation of capital that encompassed other territories that are no longer part of Argentina. So at least some of you will be familiar with much more concrete aspects than I can describe regarding your own national space.

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[323]Marx, K. (1977: 607), *Capital,* Volume 1. Mexico City: FCE.
[324] Ibid.

First question: do we need to go through all of Marx's historical development, of "this happened here, this happened here…," etc., or, just as we don't look at the general law of capitalist accumulation in its manifestations, do we take that whole process for granted (that's the first question)? The second, the alternative, is that there are specific points they want to discuss, that they want to raise, and see what we have before us.

Randy: As far as I'm concerned, let's get to the content, let's not dwell on the historical events.

Edgardo: I was interested in the intermediate alternative.

JIC: Let's do the intermediate one very quickly.

Edgardo: Well, let the others decide, because I have to leave in five minutes. So I can't...

JIC: The intermediate one, without going into detail, is going to last ten minutes or something like that [Laughter], but oh well.

Edgardo: No, if the others want to go directly to the content, that's fine.

JIC: Let the others speak, then.

Ivan: I generally always prefer longer routes, but I also have to leave in 20 minutes, so... I'm going to be left with nothing [Laughter].

JIC: [Laughs] Well, that leaves us with Alejo and Javiera. If not, let me indulge myself and I'll find a middle ground. Maybe that will lead to a lot of arguments, and next Wednesday we'll be in a frenzy. So, I'll do that, and while I'm at it, I'll get myself on the same page.

When one examines the emergence, the origin of the capitalist mode of production in the Americas, the starting point is… Let me put it this way: in the Americas, *broadly speaking,* two types of societies appear. In the areas, in the regions where cultivation can only be done with large-scale irrigation, what emerges, as in other parts of the world, are what are called the "ancient empires": empires with stratified structures of personal dependence, with centralized irrigation, with centralized organization of production processes… With all the brutality—I make this clarification because some authors omit it—inherent in relationships of personal dependence. Nor were they abstractly idyllic societies; they possessed the characteristics that correspond to this mode of production with centralized irrigation. And these are the Mayan, Aztec, and Inca empires.

Edgardo: Excuse me, what would the condition be?

JIC: That there is irrigation farming in general done on a large scale.

Edgardo: But is this due to specific geographical conditions?

JIC: These are mountainous territories with water flows and important water sources, where crops are cultivated in the valleys, requiring the full technical development of terrace farming or systematized cultivation. It's the same type of organization found in… The classic example is Egypt, in Mesopotamia; on a much smaller scale in classical Greece, but even there the unity is very fragmented, there is no longer a central unit; in China… These are societies that have this strongly hierarchical, class-based structure, with a centralized organization of social production. I don't know if this is sufficient…

Edgardo: Yes, but I don't see the relationship between these geographical conditions and the fact that they are organized in this way, that they are quite centralized societies.

JIC: Irrigation management, first and foremost, requires setting in motion large workforces. First, the irrigation works must be carried out, the irrigation system must be developed, and large workforces must be put into operation, organized with a level of knowledge that far exceeds what even the most developed primitive community can produce.

I'll draw a contrast to see if this makes it clearer: broadly speaking, in the rest of the Americas, what we find are communities of hunters and gatherers, dryland farmers, or farmers with irrigation, but not on a large scale. I know more about the Inca Empire, where there's this strongly centralized structure of social production organization because the crops are grown on terraces, the water has to be channeled, and so there can't be small, independent production units: they need to be coordinated, they need the development of this… What structure do these societies have? They have a priestly class, a caste (it depends on…) that is in charge of organizing social labor; they are the ones who govern and are the bearers of knowledge for irrigation management; a massive class of peasants who are the ones who carry out the work directly. And since there's an antagonistic relationship, because there's a mutilation of individual productive forces—on both sides; the priests' is less painful than the peasants'—there, the direct producer lost the capacity to control the overall organization of their work. So, there is an antagonistic relationship, and there are also antagonistic relationships between communities. There is another class, the military class, which is in charge of internal coercion and external armed conflict, the expansion of the empire's reach, subjecting other communities to this organization. These communities have the same productive structure, but until that point, they were in separate valleys, with separate river inflows. The empire advances over these communities and transforms them into tributary communities, either in labor or in product.

So, in contrast to that, structurally there's no empire comparable to these three, and you have to consider that the bulk of the population is in areas outside of this… I mean: the bulk of the population of America is in these three empires. The rest is extremely dispersed in communities or organizations that basically have the structure of a primitive community; and they have this: even when there is irrigation, it's on a small scale, it's no longer large-scale irrigation; and it's linked to

the condition… Human life is only possible in these mountain territories with irrigated agriculture; the same is true for deserts: the development of human life is only possible on the basis of that organization of production. I don't know, Edgardo, if…

Edgardo: Yes, yes, I think it's clearer.

JIC: You must have a much clearer understanding of Mexico, and it would be extremely interesting if you brought that up. I have more information about the Inca Empire, but my picture of the other two is more vague.

Edgardo: Yes… the truth is that I don't have much of a reference, but what I do know is that, at least, the Aztec Empire was settled on a valley, not necessarily on mountains.

JIC: No, no, excuse me, all these communities are settled in mountainous areas, in the valleys. But they are typical of mountainous areas; cultivation is already done in the valleys, and besides, it's a very wide valley.

Edgardo: Yes, and it was also a lake.

JIC: It was a lake, and that in the Aztec Empire they began to use that water and began to spread cultivation in what used to be the lake.

Edgardo: Yes, the chinampa, literally, the crops are grown on top of the water. And yes, there were many water sources for that very reason.

JIC: Of course. All of that is the type of society that develops in areas with those characteristics: the Andes, Ecuador, Colombia, Peru, Bolivia, northern Chile, and northern Argentina, which were part of the Inca Empire, have the structure of terraced farming, irrigation management… If you look in the Americas, both North and South, you don't find any other society with that structure. And when you look at the basis on which these other societies are based, the general majority are hunter-gatherers, small-scale farmers—even with irrigation—many dryland farmers, populations that are largely nomadic because they are hunter-gatherers, in contrast to these empires.

Edgardo: The same thing happens in the rest of North America, in the USA.

JIC: Exactly. So, if we go back to the process of conquest, it emerges from a society in which relationships of personal dependence prevail. I suppose that throughout the Americas, we all learned in school about Columbus going to see the Catholic Monarchs to ask for permission to make his voyage, and they granted him the privileges to advance into the territory. We also learn that, since the route to the East had been closed due to the fall of Constantinople, he set out to find new trade routes. Who appears as the active agent in this process? It is *commercial capital,* a primitive form—among the things that Marx will develop in this chapter on primitive accumulation—the first historical form (with the caveats that this implies) of the development of capital, preceding industrial capital, and how only

later did industrial capital subsume commercial capital. And the other subject of this process is *usurious capital,* it is the capital that lends at interest, and in that the Catholic Church plays a central role, as it is going to finance the trip.

What happens to them when they arrive in America? First, they reach the areas inhabited by hunter-gatherers or small farmers. Unfamiliar with the exchange of commodities, this is where what Marx describes in Chapter II of Volume 1 comes into play, where the historical genesis of money is presented. Here, exchangeability doesn't depend on the amount of socially necessary abstract labor that has been privately materialized in the product being exchanged, but rather on the will of those exchanging it. However, this will is asymmetrical, because one of those exchanging it already possesses, incipiently, the will of the commodities, the personification of capital, and consequently, the personification of money, while the others do not. And so, what emerges is the exchange of trinkets for what they begin to find in these populations: gold.

From the perspective of these populations, gold is a use-value that, due to its material attributes—as we saw in Chapter II—its luster and resistance to oxidation, fulfills a symbolic role in that society. In the Aztec Empire, as far as I know, gold did not function as money: cacao was the currency. Gold, then, appears, due to its material attributes, assimilated into divinity and the pyramidal structure of this empire where gold production took place, which is the Aztec Empire. And so, what commercial and usurious capital, which had gone out in search of markets to buy and sell, found was what, for that capital, was the source of world money.

What will be done in the face of these societies? Since these societies also have antagonistic relationships with their neighbors, they will have armed forces from other indigenous populations of the Americas with whom they share this antagonistic relationship. The legend is that Hernán Cortés conquered Mexico with 15 men, and it is clear that he defeated the Aztec Empire with a much larger military force. In any case, the military force that comes in the name of capital has weapons that do not exist in Aztec society. What will capital do in this space (it will do the same with the Inca Empire)? It will not annihilate the indigenous population because it needs them as a labor force to transform itself… First, it plunders everything it can, and once there is nothing left to plunder, it must then put those gold mines, those sources of money for the world market—in the case of the Inca Empire, it is primarily silver, but also gold—into production to directly generate this money. First, it will defeat them militarily, it will also annihilate them through diseases that were unknown, the brutality of production, which goes from being the production of use value to being the production of value; and we, when we saw the hoarding, also in chapter III, we said that the hoarder has no limit, and when the Spanish commercial capital, and now the centralized management of that movement, which is the Spanish crown, which will be a partner with 20% of what is extracted of gold and silver, corresponds to it by the ties of personal dependence, for being the bearer of the political unity that sustains this movement, will partially annihilate that population, massively but it will still preserve it and will transform it into a labor force for the extraction of gold and silver as world money and the production that has to be done around it in order to sustain this production.

In contrast to the rest of the Americas, what this commercial capital, which is becoming industrial capital, will find is that, firstly, there is no money available for the world market: if you want to access money, you have to produce commodities; and secondly, this production of commodities has the problem that it has to reach the markets of origin of this capital—England, Spain, France, etc.—across the ocean. Therefore, no matter how productive the labor in America is, the labor required to transport it across the ocean must be compensated for, and only the regions closest to Europe will be suitable for the immediate production of commodities. And these two regions are the ~~western~~ (eastern [325]) coast of North America and northeastern Brazil, which will allow the production of products that were previously unavailable to European societies, or products that did exist but can be produced under extremely favorable natural conditions in these new territories.

And so, to put these territories into production, labor is needed. What capital finds is that, unlike in the territories of empires, there is no centralized organization of the population here. There are small communities that lack the discipline of collective work as existed in empires, and because they are directly tied to their primary means of production, which is the land, when attempts are made to convert them into workers for capital, they retreat, they distance themselves. Consequently, capital finds that it needs to empty these territories of the native population, annihilating them, and bring in new labor. And in this bringing in of new labor, there is a particular expression, which Marx points out, especially in North America (I am excluding Mexico, which belongs to North America), in the United States (more so than in Canada, because Canada still faces more difficult conditions for the production of new commodities).

The emptying of the territory that is taking place during expansion requires bringing in labor, and one of the ways to bring in labor (this is particularly evident in England) is through the process of enclosures occurring contemporaneously in England, the expulsion of serfs and their transformation into what are called "nomadic masses," and the violent repression of these masses. This process involves converting those individuals being expelled from the old servile relationship, or free peasants, into forced laborers for the new territories. And one of the forms this forced labor takes is the use of prisoners—this is how the first occupation of Australia was carried out later, bringing in prisoner laborers, forced laborers—; And it already existed, but the figure of debt bondage develops: direct producers who have been deprived of all means of production, the development of usurious capital in England transforming into borrowed capital with interest, they contract debts in order to remain in production, they cannot maintain themselves, they become insolvent debtors and become servants until they pay the debt, a bond of personal dependence, and that servant is sent to the colonies in America.

When one examines what happens to these forced laborers, it becomes clear that they face two limitations in terms of exploitation by capital. First, those who will put them to work are now emerging forms of industrial capital, which use forced labor to increase the value of their capital by selling their commodities in

[325]It self-corrects later.

the nascent world market—a market, unfortunately, mediated by the colonial structure, meaning the Crown retains a portion of the value of their commodities—but which is already producing commodities directly for that market. Second, the problem these individuals face is that they come from cold and temperate climates and are forced to work in tropical climates, which limits their productive capacity.

And the second situation that arises is that this forced laborer, who was often branded with a hot iron to make it clear that he was a forced laborer, if he manages to escape and move north, in the north, the process of territorial occupation and expansion of commodity production takes another form, also based on the annihilation of the original population, but with the emergence of small-scale peasant production based on hunting and agriculture. And like all commodity production that responds to the general movement of capital, what happens to this population is that it quickly annihilates the wildlife it hunts. Whereas in previous societies, with their relationships of personal dependence, the wild animal is a use value hunted for the purpose of reproducing life, and this regulates what happens to the animal population, here, transformed into commodity production for commercial capital that then centralizes the fur trade, the animals are rapidly annihilated, and so it is a population that needs to constantly move into new territories. And well, if the servant escaped from the plantation in the south and was able to move to this production area, he has the possibility of becoming an independent producer of commodities, occupying a territory, annihilating the native population, and through agriculture and hunting, then selling the furs.

And agriculture is basically for subsistence, rather than for grain production. Whiskey production develops very strongly in that territory because it's a way to conserve calories for when hunting season arrives, converting sugar into alcohol; it's a food that provides carbohydrates, and it's linked to hunting. So, this nascent capital, particularly the capital of plantation crops, goes out to look for another source of labor that doesn't have this double limitation that the labor force it could obtain in Europe has. And that source of labor is the hunter-gatherer communities, small-scale farmers in Africa, where the population comes from a tropical climate, and separated from their main means of production, which is the land, they have no alternative to reproduce themselves other than to work as forced laborers on the plantation. If they try to escape, they find that the indigenous population sees them as invaders, and if they want to go where the free peasants are, you only have to look at them to know that they are forced laborers, escaped slaves. Then, under brutal direct coercion, he is forced to become a slave laborer on the plantations. Slavery is not a new phenomenon; current slaveholders or ideologues of slavery justify the introduction of slavery to the Americas by claiming that slavery existed in Africa, but not the slavery of capitalist producers—the form of slavery originally inherent to the capitalist mode of production. And so, these two forms of the process of primitive accumulation will occur.

Regarding what happened to the indigenous population, there's an estimate that, just a few years after the conquest of the Americas began, the indigenous population was reduced to 10% of what it was before the conquest, and that the bulk of the population that was annihilated belonged to the empires. So, we have this process in the Americas of primitive accumulation: the possibility arises of

producing, with higher labor productivity, commodities that were already consumed by the countries whose national processes—the genesis of the national processes of capital accumulation—are rooted in the conquest of the Americas, and a whole series of new products that revolutionize the conditions of production in those same countries—the most massive example being the development of potato production in Ireland, England, and later in the rest of Europe, where this crop didn't exist. So, we have this process.

What happens to that originally commercial capital, to usurious capital? Primitive forms of industrial capital begin to appear, and in the case of the US in particular, with a series of determining factors, but among others, very close to the eastern coast of the US and the western coast of Europe, when this whole process takes place, the two raw materials that are key to the development of industry are found, accompanying these incipient movements of the capitalist mode of production: coal and iron. And then, in those places, a production will also appear that competes disadvantageously with the industry of the metropolis until it becomes independent of its relationship with the metropolis.

In the rest of America (which is basically Latin America), the work that... I'll use the more immediate example of silver mining as an example: even forced labor based on a relationship that came from the Inca Empire, which is the *mita,* which is a relationship of personal dependence by which a community has to pay tribute in labor, part of the community has to work on the Inca's lands, another part of the community stays in their original lands because they are in charge of the reproduction of those who are not there... Again, this, which functioned with all the brutality of relationships of personal dependence, which were far from being harmonious and idyllic relationships, was a production of use values, this system that was the mita was reproduced and functioned.

When the mita system became the source of forced labor for the mines, these nascent mining companies effectively decimated it, to the point that the communities themselves dwindled. The communities were no longer able to replenish their workforce, because the mitayo (forced laborer) had to return to the community after each shift. Now, they could no longer return, nor could they provide for their needs. Consequently, they had to obtain their livelihood through rudimentary forms of wage labor. Those who completed their service became sellers of their labor, under all the primitive conditions of this status. However, relatively quickly, the bond of personal dependence gradually dissolved, transforming into a relationship established through the buying and selling of labor. This is a very concise summary of these practices. I don't know if you would like to offer any further input.

Javiera: I want to bring something up, but it's two things: one is more of a comment and the other a question, but perhaps it's more for the end. The comment is that I found what you said at the beginning interesting, before we started with this discussion, about how direct relationships carry and give rise to this way of organizing life as we know it today, right? And in that sense, of course, analyses always... Well, anthropology gave me something more or less nuanced, but in general, analyses don't address this whole development, which I think is what you

were getting at with this last point, that it's nuanced, right? I mean, there's the bond of personal dependence in these communities, on the one hand, and on the other hand, there's the buying and selling of labor. Since there's something mixed in the first one, I mean, I imagine that's what you were saying about how they carry, as if it's not something straightforward, it's not something that happens immediately.

And here's the question, but I also think we talked about it before in relation to all the arguments about primitive accumulation, accumulation by dispossession, Harvey, and everything that stems from that, and it's this idea that there is indeed a tendency to view (I'm taking from what you said last) that these relationships are harmonious, that is, that there is an origin that seems to be harmonious, and for that reason there are many political proposals today that take this and propose this return to this origin, and I think it is extremely dangerous and politically costly to propose a return to this type of relationship; which, of course, seems to be presented as an alternative political action to capital, as something outside of it, stripping it of all this content, this violent content, of dependence on the relationships to which they were subjected... I mean, not to mention women, but society as a whole. So, I don't know if I remember you saying at some point that we were going to look at some of these arguments about so-called primitive accumulation and the continuation of this process today. It's extremely relevant to the review you're doing, because all these arguments focus on Latin America or countries called "underdeveloped" or "developing." So, there's something about these arguments that is politically relevant to us as well.

JIC: I'd like to add this beforehand, to complement one point. While these relationships of personal dependence were once what organized the unity of social production, this dynamic reverses, and these relationships of personal dependence become forms of indirect relations, that is, forms of the movement of capital. So, the enslavement of indigenous populations of Africa and their descendants seems to be the culmination of a bond of personal dependence, which in reality becomes a vehicle, a form of the development of capital. Thus, from being what provided unity, and with commercial capital and usurious capital being forms of that unity, the situation reverses, and now the bonds of personal dependence become forms of the movement of capital.

Now, I'm not sure if this refers to your initial point; but the capitalist mode of production is another form of brutality, but they are distinct forms in the development of the exercise of violence. When that violence carries bonds of personal dependence for the production of use values, it differs from when it carries this indirect social relationship, particularly for the production of money for the world market, because there is no use value mediating the movement of that production (there are many concrete manifestations that I'll leave aside for now). Therefore, neither these social forms nor the capitalist mode of production are idyllic: they must be viewed as forms of the development of the productive forces of social labor, encompassing the concrete forms that correspond to those stages of that development.

The other point I wanted to raise is when people say that a certain country in the Americas joined the world market, joined production… Nothing was actually incorporated, because that would have presupposed that it already existed as a capitalist production system. It was created as a space for capital accumulation by capital itself, through the process of capital's conquest and development. Regarding what you said about the concept of primitive accumulation, it's much more complex than I'm going to explain, but there's a key difference: here, it's the emergence of the capitalist mode of production that advances into those territories where life is governed by other forms of social interaction; and it annihilates those other forms, makes use of them, transforms them if they suit its purposes, and if they don't, it simply annihilates them. What's happening today is no longer the historical origin of the capitalist mode of production. To a large extent, many of these populations—if not all—have been transformed by the capitalist mode of production into a latent surplus population settled on territories that, until a certain point, were useless to capital. Capital allowed them to subsist in these places, and at a certain stage of the development of large-scale industry, governed by the production of relative surplus value, these territories became sources of natural means of production to be extracted, or lands on which crops could be cultivated that were previously unavailable. Thus, while these populations have been transformed into a latent surplus population, much of this population has migrated to urban centers as an active labor force for capital. Capital, based on historical differentiation, even on the appearance of natural differentiation, uses this population to exploit it more acutely. But those who remained in their original territory did so not because capital had not developed, but because they were no longer useful to capital. These populations are already a product of capital, their situation of misery is a product of capital, and what capital does now is: since that territory where this population was located, which was useless to them, has become a useful territory, then what it does is: annihilate them, displace them, turn them into a labor force to operate in that territory.

So, the nature of the process has a substantial difference. One was, precisely, the vanguard of the other; it was commercial capital, usurious capital. The vanguard of this advance is now industrial capital, supported… The differentiation isn't in Volume 1 yet, it's in Volume 3, but it's no longer usurious capital, now it's interest-bearing capital, which is a form of capital centralization: the possibility of possessing a mass of capital. So, even the subject who carries out the expulsion or annihilation of that original population is not the same as the one responsible for primitive accumulation. So, one has to look at these differences.

Then there's the other aspect of what you were raising, which has to do with the development of the productive forces of labor. Why can't these populations resist this advance? Because, in fact, the advance continues, and continues, until the point where it can harm capital as a whole, where it becomes more costly to continue sustaining the advance than to be without those natural means of production, those raw materials. In Anti-Dühring, Engels elaborates on the difference in the development of the productive forces of social labor and the manifestation of that difference in… Why is a mode of production "defeated," so to speak, unable to reproduce itself, to sustain itself in the face of the advance of another mode of production? And the image Engels uses is: Robinson Crusoe dominates Friday. And

why does he dominate him? Because he has the sword. And he says: one would like Friday to have a revolver, and then the relationship would be reversed. But why does Robinson Crusoe have the sword and Friday doesn't? Because Robinson Crusoe comes from a society (and here he makes a very quick summary), from the capitalist mode of production. And so, this is to answer the question of whether it's an abstract problem of the exercise of violence. But why can one person exercise violence over another? It depends on the productive forces they are capable of putting into action; and the productive forces of capital are greater than those of the communities... which were communities of commodity producers, basically, because little remains of producers except in some very isolated places, but... or in some places where the community still has a lot of weight, but who were small, independent commodity producers, and who can no longer reproduce their life process on that basis... Capital advances upon them and they cannot oppose it with force. And, of course, in the exercise of violence, the representative of the total capital of society, insofar as that territory, that production, feeds its accumulation, will legitimize the advance of capital against the free producers (because they are all free producers who existed in that place).

This also appears in this chapter, if I remember correctly—I'm going to sound like Miley, but...—: as taxes appear, the production of commodities becomes obligatory, and this is one of the ways in which primitive communities dissolve. When the Church no longer has the royal fifth, which was levied on gold and silver, the Church has the tithe, and when the tithe has to be paid and becomes a monetary contribution, it becomes necessary to produce commodities. The individual is bound by a tie that is not the mercantile bond itself; they are obliged to produce commodities because otherwise, they have nothing with which to pay. And this plays a central role in the dissolution of the bonds of personal dependence in primitive accumulation. But when you look at it today, where it is also very difficult to have produced one's own means of production and one's own means of subsistence entirely without leaving the community—one always has to buy commodities—then this forces, imposes, the production of commodities and dissolves the bonds of community. So, to reiterate, this isn't the process of primitive accumulation, because it doesn't give rise to the capitalist mode of production: this is the *full development* of the capitalist mode of production; full in the sense that it's the advancement of the capitalist mode of production in its non-primitive, but rather fully developed, stage. Because underdevelopment doesn't exist: the development of capital accumulation varies across different regions, and the surplus working population isn't a product of insufficient capital development, but rather the expression of its full development. So, when there are masses of surplus working population in these regions, that's a product of capital. I don't know, Javiera, if you're trying to make a point with this.

Javiera: Yes. And there, also, regarding what you were saying at the end about taxes, the role that tribute plays, for example, in the Inca Empire is different from the role it plays later with the Spanish, right? In the Inca Empire, unlike what happened when the Spanish arrived, for example, in Chile, the Incas maintained the communities; that is, they didn't wipe out the original or pre-Hispanic communities of the entire area.

JIC: No, no, those that were not originally in the Empire, were subjugated.

Javiera: But they were allowed to maintain their beliefs, their religious system… There's a big difference between…

JIC: The thing is, tribute is either in kind or in labor. When tribute becomes monetary tribute, that's the tribute that shows the bonds of personal dependence are dissolving.

Javiera: That's what I wanted to ask you. Because there's the tribute of the harvests, for example, that these pre-Hispanic communities gave to the Incas; and in labor, right? So, when it appears in the form of money, that's when the dissolution of personal bonds begins, right?

JIC: It's an expression of those personal ties… Because a connection has to exist… In the case of gold and silver mines, production is directly money, but if an agrarian community is asked to pay tribute in money, it has no alternative but to produce commodities outside the community, because it has to connect with another social sphere with which there is no direct personal connection, only a commercial one. So, I know the case of the Aztecs: there is some commercial production, but gold isn't money: cacao is money. Among the hierarchies of the empire, that's where gold—apparently—circulates somewhat as money, but basically it circulates as an expression, as a symbol of power, not as money, but as a shiny object that doesn't decompose, that resembles the Sun (let's put it that way). And in all those empires, the highest hierarchy appears represented, associated with the Sun. So, this is the symbol of the Sun, but it's a use value; therefore, as a use value, its extraction is limited.

There's an expression of what happens to labor that is forced by bonds of personal dependence when it becomes labor for the production of money for the world market, and it's linked to coca. In the Inca Empire, coca was for ceremonial consumption, and it was the Spanish who spread coca production because, with the brutal working conditions in the mines, the workers couldn't withstand the effort they had to make, and coca compensated them, supplying them with the strength they lacked. So, there we see how the consumption of something that isn't money, or the production of something that isn't money, is governed by the need for unlimited exploitation exerted by capital, as opposed to the exploitation for obtaining use values from the previous social relationship, based on personal bonds. Because that society needs to reproduce itself, the Inca Empire can't annihilate the mitaya population, because if it does, it will be left without the use values it needs to reproduce itself. Capital annihilates the mitaya population because it obtains a population to replace it; it does not need it to continue sustaining itself in production: it engenders a surplus working population and with that it will supply itself.

Javiera: Well, the same thing happens with tobacco afterwards.

JIC: I think tobacco also had a similar structure, but tobacco became a staple in certain countries… in Holland, in European countries; but yes, that was primarily for workers in large industries. I don't know if there's anything more to it. Now we

would get to the substance of the matter, the core of development, so I'd leave that for next time—when we're all there—so we can get started and look at the core of development as Marx describes it; in principle, I don't think it will take us too long.

[II]

Okay, let's get started. Two things. The first is if you want to revisit anything we covered last time, but first, a clarification. My anxiety to get to the last Wednesday of May and finish things made me put my foot in it at the last meeting. There was a whole discussion that I thought, "Oh, well, all that's there is the problem of the concrete forms that primitive accumulation takes." But that's not all; in fact, a lot of Marx's analysis was missing, which includes, in part, the topic of concrete forms, and I happily swallowed it. And then, when I reflected and looked at what I had to discuss, I thought, "What a mess..." So, let's go back to that. From what we covered last time, is there anything you'd like to discuss?

Edgardo: Juan, yes. I had the opportunity to see the recording of yesterday's presentation on the history of Latin America. Because in past sessions, especially when we looked at the forms of the surplus working class, we discussed the New International Division of Labor and other related topics. And I had a comment about your presentation yesterday, about this issue of the NDIT, so I don't know if it's worth bringing it up. […] Because in your presentation you said that, let's say, these forms of capital that arrived in America were personified by the European conquerors (user capital, commercial capital, and later also industrial capital in its early stages). But that, in the areas where these great empires existed (you mentioned the Aztec and Inca empires), capital didn't wipe out the native population, but rather employed them in… Well, in the case of Mexico, in mining production, to generate money for the world market. And above all because this workforce was suitable—because there were already very centralized societies, with a "political" scheme, so to speak, very hierarchical, etc.—for large-scale collective work, etc., whereas in areas like the east coast of the United States and also the area of Brazil closer to Europe, where they were mostly hunter-gatherers and capital could not put them to work on plantations and instead decided to extinguish the original population or gradually displace them.

So, my question was along those lines; because in previous sessions you mentioned that Mexico's integration into the New International Division of Labor [326], which has been similar to what happened in East Asia, was primarily due to its proximity to the United States. However, Guido Starosta, in various texts, and Nicolás Grinberg have also suggested that it's not due to this reason, but rather to the moral and material attributes of the Mexican workforce that make it suitable for large-scale industrial labor. So, I'm wondering if we could trace these attributes back historically to the indigenous peoples who existed here in Mexico. Obviously, that would require a great deal of historical research and many intermediaries…

JIC: Yes, I wouldn't know… I don't know enough about Mexican history to say whether they have the productive attributes or not. My impression is that the Chinese peasant of 2000, or—let's go back further—the Korean peasant of 1980, I don't think they came with a history of work with a structured discipline and so on, like the… I don't know if he was a Mexican peasant or a Mexican worker. You would know better than I do. One knows a bit more about Mexican history than

[326] Hereinafter, "NDIT".

Korean history, and it may be that in Korea there were a series of movements and things, but the history of Mexico during the 20th century doesn't seem to be a parallel history to that of the Korean peasant. And the type of production that was established in Mexico, unless it required productive attributes that were different from those of the East Asian worker—but it doesn't give the impression that there was a substantial difference—in the 1980s, I don't know if they were comparable. Is the Mexican a disciplined peasant with a strong vertical organization of production?

Edgardo: Well, yes, Nicolás Grinberg published a book about it, and he gives the reason why Mexico has these material and moral attributes suitable for the NDIT (National Development and Innovation Strategy) as being due to its history, even tracing it back to its pre-Hispanic history; and the fact of coming from a society like the Aztec, and also the Mayan, which achieved a fairly complex vertical structure with a fairly centralized work, etc. But there would be a mediation of about three centuries, from the 16th to the 20th century.

JIC: And with this peculiarity. I understand that the maquiladora industry was established in northern Mexico, and the Mayan empire didn't extend to that territory; I understand it was located further south in Mexico (territorially speaking). Therefore, to assume that these workers are Mayan peasants, "modern Mayans," I don't know if that's the specific history of that workforce, if there was a migration process within Mexico from south to north to fill that labor force, or if that workforce was already established in the north; but the rural north with a different productive structure. I repeat: I know the images from Mexican history that are linked to the Mexican Revolution, the United States invasion of Texas, and the entire process of occupying that territory, but I get the impression—I don't know, you tell me—that there wasn't irrigated production there with disciplined peasants, and if there wasn't, then there was a migration to that territory. Because I also understand that the old Mexican industry was in Mexico City, that there wasn't really an industrial tradition in that area that produced for the domestic market, and that this industrial tradition reverted to maquiladora production. But I can't answer more than that. They're questions… You, Edgardo, have a task for you.

Edgardo: No, yes, yes. Because in fact, in northern Mexico, when the Spanish arrived, there were only hunter-gatherer communities; they were all nomadic. The conditions there, many of them desert-like, made it difficult to have large populations, so yes... And in fact, it was extremely difficult for the Spanish to conquer that area of Mexico because the communities weren't centralized, so it was difficult to organize them politically under a single leader.

JIC: Of course, and we would also have to see what production they could develop in that territory, especially when the option was to develop the production of money for the world market in what had been the territory of the Aztec Empire.

Edgardo: There are many things to keep thinking about.

JIC: I would add one observation to this. What this expansion of the conquest process does to the populations of empires is annihilate a huge portion of them.

This estimate—I had the source somewhere—that within a few years of the start of the conquest, the population of the Americas had been reduced to 10% of what it was, the bulk of that reduction occurred within the empires. What they do is, however, preserve a portion of the population, and—I suppose, I know about the Inca Empire—in Mexico they also preserve structures of labor organization that came from the Empire and adapt them for the production of gold and silver.

Edgardo: Yes, I also understand that happened here.

JIC: You have until the end of May to clarify things for us. If you're criticizing the proximity, the border... Furthermore, the question is why it was established precisely in that area and not in Mexico City, where there were already industrial workers. There was a drastic drop in real wages in Mexico in 1982, the debt crisis, and afterwards, at least according to the statistics I've seen (I don't have more recent statistics), the average industrial wage never recovered.

Edgardo: In fact, I think you once said that in Argentina the highest salary level was reached in 1974, you mentioned that to us once, and here in Mexico the other day I was looking at some statistics and it also reached its highest point in 1976, and to this day it has not recovered.

JIC: It has never recovered.

Edgardo: No, it's a huge difference. And it's recovered a bit now because this administration has significantly increased the minimum wage, but before the minimum wage increase in 2020, the difference was still enormous. So, there are many factors involved, many decisions that need to be explained.

JIC: I'm serious, it would be interesting if you could clarify this further. Because sometimes what one does is, let's put it this way, arrive at very general conclusions, and then we have to see if the concrete forms responded to that, or if one is extrapolating appearances or things that seem immediate to processes that involve different determinations. Because there's another element that makes me think about this, which is… What was supposedly going to happen in Haiti immediately before the earthquake? It was the incorporation of the Haitian population as workers in this new form of the international division of labor. And it's clear that in that case there weren't workers with a history of irrigated farming and so on: what there was was a brutal cheapening of labor. And so, the question is also whether there wasn't a brutal cheapening of labor in northern Mexico… The question is, where did the maquiladora industry get its workforce from: whether it was the local workforce that existed in rural production, whether there were significant internal migrations… What is the origin of that population?

Edgardo: Yes, in fact, what I find interesting in the case of Mexico—and this was something Fernando Cazón pointed out in an article, and also […] [327]I think the other one, who isn't here right now, but they mention him in an article—is that, unlike what happened in East Asia, where these countries' entry into the NDIT

[327]Inaudible.

began with deplorable working conditions, in Mexico, the starting point for joining the NDIT was different: Mexico's entry required a deterioration of existing working conditions. So, that's what makes you think that perhaps it wasn't the low cost that explains why Mexico joined the NDIT, but other factors.

JIC: The thing is, they achieved low wages, which I suppose is relative (not at the initial wage levels in East Asia). But there's another factor at play, which is that these national accumulation processes in East Asia incorporated increasingly complex labor, which is also related to the origin and conditions of the population being incorporated. The simpler labor was displaced to other territories where, again, there was a latent surplus peasant population with the same history of disciplined work and so on. And it gives the impression (I don't know, that's something to consider too) that the Mexican maquiladora industry (which is one of the oldest, in a way, dating back to the 1980s) didn't increase the complexity of its processes. Korea started with footwear and textiles, and today I believe it is one of the main producers of steel, a shipbuilding industry, a producer of cars for the world market with its own brand, with capital that originates in its own territory... And I get the impression that Mexico did not go through that type of transformation, but I don't know for sure either, but one has to ask oneself if that evolution happened or not.

Edgardo: Yes, apparently there wasn't one. Well, many of those who, with the economic and financial "liberation" of Mexico following the implementation of neoliberal policies, were very enthusiastic and saying that Mexico was going to become a world power, were already saying by the early 2000s that no, that wasn't going to happen. And I think the literature you've reviewed points precisely to that: that Mexico never took off in terms of complexity. And there were times when it seemed like it was going to take off, especially in the automotive industry, but it turned out to be just wishful thinking.

JIC: Well, that's something to look into too. I suppose everything gets much more complicated with the drug trafficking issue, which must also affect labor relations, working conditions, the structure of workplace discipline, and so on. But anyway, we'll add it to the list by the end of May. Great. Let's get to the details, which I should have done last time, but I forgot and just skipped over it.

We had reached, by following the text, the point where Marx proposes that we need to examine when capital arises not as accumulated surplus value, but as something that did not produce itself. And what we had arrived at is that he looks at this process and questions the myth of hardworking, thrifty individuals and lazy individuals willing to spend carelessly, and that this is the origin of capitalists and this is the origin of workers. He makes the observation that primitive accumulation has a violent character, an exercise of violence.

And then, what he begins to argue is that, if one takes and follows the development he has been making since the first chapter of Volume I, the origin of capital must be traced back, not simply to its historical origin in the sense of what is unfolding, but to what was seen to begin. And what was seen at its beginning

was the commodity and money. And what he will argue is that neither the commodity nor money are means of capital. And in the next step, what he will argue is: neither are the means of capital in themselves capital: they must have been transformed into capital. And that this transformation must have been carried out through the separation, or the genesis, of two separate social classes, two classes of commodity owners. On the one hand, owners of money, of means of production, and of means of subsistence; and on the other hand, free workers who have nothing to sell but their labor power.

And so what he's going to propose is: well, this refers back to what he discussed in Chapter IV, when he first addresses the conditions for workers to be sellers of their labor power and observes that they must be free individuals because they must have private control over their own labor power, but also because they must be separate from their means of production and subsistence. What he says at that point is: well, it's clear that in order to carry out work, it's a condition to be tied to the means of production and the means of subsistence, and that therefore, the existence of these doubly free individuals cannot be a natural condition of human life, but rather, he says, must be the result of a long process of historical development. And at that point, what he says is: but we're going to do the same thing the capitalist does: we're not going to ask where this individual came from; what we're going to consider is that these individuals exist, and we're going to move forward. And now comes the answer regarding the historical origin, that thing that was said there, "we're not going to look at it," now the very movement of capital compels us to look at it. It can no longer be taken as a given, but rather we must examine how these individuals came to be.

And then, they will again take up the condition of doubly free individuals, arguing that, on the one hand, they cannot be among the means of production, as is the case with the slave, but neither will they have their own means of production, and this is compared to the free peasant, owner of his own land; what they will argue is: they are simply free in this double sense. And so, the historical genesis of the capitalist mode of production is the development of differentiation and the emergence of these two types of commodity owners: owners of means of production and means of subsistence in the form of commodities; owners of labor power in the form of commodities.

2. Expropriation of the rural population, who are deprived of their land.

He will elaborate on what has already been observed: that the capitalist mode of production itself, once underway, reproduces and multiplies this separation. But then, when one asks about the starting point of this separation, that starting point precedes the movement of capital—because all capital can do is reproduce and multiply it; it precedes it—and that this process of primitive accumulation must be the process in which, on the one hand, the worker and, on the other, the conditions of labor become separated, and the direct producers, tied to their means of production, become workers separated from the means of production and the

means of subsistence, and the possessors of money, means of production, and means of subsistence become capitalists. And so, what he will examine is this process.

The starting point regarding the worker's condition as a doubly free individual—this relationship is linked—is the process by which the direct producer gains control over their own person and, therefore, becomes an individual free from bonds of personal dependence. To have the labor power to sell, they must have the freedom to move, the freedom not to be tied to a specific task… (Marx will provide a series of concrete examples related to the structure of craft guilds and others). And so, the first thing that appears in the process of generating wage laborers as doubly free individuals is the development of their first freedom. That is, of the two freedoms, the first is not being subject to personal dependence on other individuals. And then he will make two observations.

The first point is that the ideologues of the capitalist mode of production—this is the only aspect they see in the development, in the origin of the capitalist mode of production—is the realization of human freedom, the dissolution of all the ties that bound the workers, the direct producers, to regulations that tied them to a specific job, etc. So, the first thing that will appear is this: the epic of human freedom. When we look at Chapter I, and then several times as we continue, what we look at in particular is this issue: the emergence of the capitalist mode of production, which dissolves all bonds of personal dependence; it engenders a society where, for the first time, the members of that society are universally free individuals, they see themselves as equals because they relate to each other through the exchange of equivalents, and they possess the productive forces proper to the free individual. And one of the things we emphasized when looking at the first chapter was the fact that it is in the capitalist mode of production that the concept, the image of the human being, can first emerge in the history of human society. This is because in all previous forms where bonds of personal dependence are mediated, the asymmetry or the reduction of those bonds prevents individuals from seeing themselves as having a common condition. And this is among the things that Marx brings up from Aristotle: that Aristotle realizes that the substance of value is labor materialized in commodities, the productive expenditure of human labor power, but that he cannot recognize that there is a productive expenditure of the human body *in general* because it is a member of a society where there are masters and slaves.

So, the first thing one has here is this, which Marx will put forward, but when one thinks about it, when one unfolds it in relation to political and ideological discourses, this idea constantly appears: this is the achievement of the capitalist mode of production, it is the bearer of human freedom. What is the condition for human freedom? Private property. Well, since we are hearing this abundantly in Argentina, the association comes to mind directly. So, this freedom implies the dissolution of the old form of forced labor, forced labor based on personal dependence.

Marx links all of this development particularly to the transition from feudal to capitalist society, a transition characteristic of Europe, and even more so of

Western Europe. His observations are immediately connected to this development. He states that this must revolutionize the conditions of feudal production and create the conditions for the capitalist production process. The dissolution of feudal relations of production takes the form of the displacement of the peasantry, the expulsion of the peasants, the serfs, their expulsion from the land; and at the same time, and this is something Marx will emphasize (the reasons for this, its role, will become clear later), the expulsion of the serfs on the one hand, and the expropriation of the land from the peasants, who now appear as free peasants, on the other. Once expelled from the land, they are transformed into a nomadic mass, vagrants, and through direct coercion, the discipline necessary for wage labor is imposed upon them. When we spoke about this last time in relation to the situation in America, this is where the indelible mark of individuals condemned to servitude by debt appears, due to their inability to reproduce their lives because they have been expelled from the conditions of production. One of the forms of expulsion, as we have already seen, is the advance of usurious capital over the peasantry, and this generates the mass of labor power that capital needs.

3. Bloody legislation against the expropriated, from the end of the 15th century. Laws reducing wages.

And he makes another observation, amidst all the development of concrete forms, which for me is particularly relevant: that while the laws were eliminating all forms of feudal relations (the guilds, that entire organizational structure), they prohibited, despite the fact that workers appeared as free individuals, the actions that were already characteristic of the working class: they prohibited strikes, they prohibited unionization. And here he makes a converse reference, saying that the English Parliament finally had to abolish those laws, and acted as if it had been the capitalists' guild against the workers. This is something Adam Smith already denounces and points out, stating that workers want to associate in defense of... Smith is clear that the relationship between workers and capitalists is antagonistic, and he says that workers want to associate, faced with the power of the "employers" (that's the term Smith uses). Workers, in a desperate situation of trying to reproduce their lives, want to associate, and what he argues is that the laws don't allow it; in contrast, employers do associate among themselves and have the support of the state, and so the workers always lose out. Well, here's where it comes in: the role of those laws and that prohibition, the laws dissolving the bonds inherent in feudal society, and at the same time the laws prohibiting the bonds that arise from the buying and selling of labor power—particularly between sellers of labor power—is one of the concrete ways in which the development of capital is transformed or engendered.

4. Genesis of the capitalist tenant

So, on the one hand, we have this gestation of the origin of the working class. And now, what happens is the origin of the capitalist class. And, also taking into account the dissolution of feudal ties, what will be argued is that the expropriation of the peasant population directly creates large landowners; there is a process of centralization of land ownership. So, the emergence of the tenant farmer is missing here. And then, it will be said: the genesis of the tenant farmer develops slowly. This development is linked to the fact that the serfs and peasants displaced from the land were not all in the same economic or patrimonial situation. And some already had the capacity to have accumulated a certain control over the means of production. And so, the figure of the agrarian capitalist will appear in the form of a tenant farmer who originates from serfs or peasants who start with a difference in the availability of money; these don't join the transhumant masses; these are the origin of the tenant farmer capitalist. Shall we begin? Do you want to propose something?

Randy: I don't know how to phrase the question that's come to mind. It's as if there's a mutation in the nature of violence: first it begins with expropriation, almost with unfounded, pure violence, which then takes the form of law, and it would seem that the nature of the violence changes there. But I'm left wondering: where does this violence that gives rise to all this come from?

JIC: We had something of this whole movement when we looked at the three forms of tribute in feudal society (tribute in labor, in kind, and in money): lords need money for their general social relations. One of the most obvious forms of this is what happened in France with the relocation of the court to Paris, where the monarchy forced the nobles to settle, leaving them no alternative to rent in money, because rent in kind wasn't enough to satisfy their personal needs, and all the parasitic consumption played a role in demanding this money. In the case of England, the historically classic reference is the Enclosures, where agricultural lands for peasants were transformed into forests. In other parts of Europe, the issue... Some criticize Marx, saying that the Enclosures were a purely English phenomenon, but that it didn't exist in the process Marx was describing. So, a multiplicity of forms emerged.

[...] One can view it as an expression of the development of the productive forces of labor, but what we're looking at more directly here is how it all came about: they are expelled from the land. The issue of the transhumant masses is a whole period in English history that plays a significant role; they had to live by appropriating whatever they found along the way. There's also the issue I mentioned of debt bondage. Well, legislation appears that condemns these conditions, and on the basis of that legislation comes direct violence. The expulsion from the land isn't mediated by legislation, although I suppose it's possible that part of the expulsion of the peasants from the land they occupied is linked to... What's happening today in Argentina and Chile, what has happened historically, is linked to: someone appears who has a title to that land, get out of here. So, what we're looking at is that process.

If you look at how laws are abolished under the pretext of prohibiting feudal guilds—a step in the development of the capitalist mode of production—it turns out that workers' guilds are prohibited because freedom is the norm, and there shouldn't be any kind of unionization. As the capitalist mode of production develops and the sale of labor power for its value becomes established, when we examine the relationship between base and superstructure, the movement of total capital in society requires the political representation of the working class in an antagonistic relationship with the capitalist class, but as an expression of the unity of the process—in this case, a national one—of capital accumulation. And so, the laws prohibiting strikes disappear, but this is in the mid-19th century, a little earlier, but the enclosures and that whole process, I'm not sure, but I get the impression it dates back to around the 16th or 17th century; so, there's a whole transition involved in that transformation.

So, the condition for the fluid movement of total capital in society necessarily takes the form of a class struggle, which in turn takes the form of legal regulations. Thus, all legislation is transformed. We also saw this when we examined the chapter on large-scale industrial machinery, where the need for education and the need to prohibit child labor arise as necessities of capital. Because one need of social capital is that the working class have the strength to confront the capitalist class, and in the form of class struggle, the prohibition of child labor, the development of education, and so on, appear as enforcers. Therefore, one must examine the concrete historical process more closely. What underlies all of this is the development of the productive forces of social labor; this is the form that this development takes. It occurs as one moves from one mode of production to another, in a process that is lengthy, even considering the subsequent transformations within the capitalist mode of production. But if you look at the history of humanity over two or three million years, two or three centuries, it's almost an instant. So, in relation to the historical development of humanity, it's a very rapid transformation; at the same time, if you look at it from the perspective of those carrying out that transformation, the process is eternal, lasting until the right to strike is won as a legal conquest. It cost—and continues to cost the working class—blood, countless deaths, violence perpetrated by capital, and so on. So, from the perspective of the immediate agents of the transformation, the transformation seems to be unfolding at an extremely slow pace. From the perspective of historical unity, of the development of human life, these transformations are increasingly accelerating, and what used to take millions of years—the overcoming of primitive society, which took two or three million years—is now happening. I don't know if this answers your question or not.

Randy: Yes, yes, a little. I just wouldn't know exactly how to phrase it...

JIC: It may become clearer with what comes next. I would say to continue moving forward with this process then.

5. Impact of the agricultural revolution on industry. Creation of the domestic market for industrial capital.

There will be another development that Marx will raise regarding the role played by the expropriation and expulsion of a mass of the rural population. This separates the workers from their means of subsistence and their material means of labor, leaving them at the disposal of capital as a source of labor power. But the other development that is brought about through this process is the development of the domestic market. And Marx is looking at this process in England in particular, and he is viewing it as a nationally defined process, the case he is using as an example. And what he will argue regarding the role of the development of the domestic market is that this domestic market, which originates from the disappearance of the peasants who produced their own means of subsistence and which was always linked to artisanal production, creates the possibility for industrial production to reach a sufficient scale to develop. So, what will emerge here is this: just as this is the genesis of the mass of labor power, it is also the liquidation of all social production that is not subordinated to capital itself. It is the impossibility of having direct producers who are self-sufficient.

6. Genesis of the industrial capitalist.

And so, with this shift to the domestic market as a condition for the development of industrial capital, what will now unfold is the development of the industrial capitalist. And what will this entail? It is much faster than the development of the capitalist or of capital in agricultural production, the transformation of the peasant or the serf into a tenant farmer. And here, the development of commercial capital will play a central role. References will appear to the advances in the conquest of America, Asia, and Africa, and how the two forms that capital took in feudal society are the ones that advance, pushing industrial capital forward: usurious capital and commercial capital; until, so to speak, this is reversed, and industrial capital will "subordinate" commercial capital and capital that lends at interest (the transformation of usurious capital into interest-bearing capital).

In relation to these developments, Marx refers to the central role of the discovery of gold and silver in America, the use of the indigenous population as a labor force for gold and silver extraction, the plundering of existing gold and silver, and African slavery as a source of labor for plantations in America. He also adds the role of trade wars (he develops a whole sequence throughout his argument; I'm trying to identify the main points) in the process of primitive accumulation. He then presents a historical sequence, stating that the axis passes first through Spain, Portugal, Holland, France, and England, and thus summarizes the most decisive aspects of this process.

And what he's going to argue here is: the colonial system, the public debt system (what he calls the "modern tax system"), and the protectionist system. All of this,

which unfolds through the exercise of state power, dissolves all forms of personal dependency—except that the colonial system still encompasses what we saw earlier, but now it's for the production of money for the world market or for the production of commodities for the world market; it's not the production of use values for the masters of the nails in the production of value. And these conditions, when one looks at the history of Latin American countries in particular—this appears in Argentina—the colonial system, public debt, the tax system, and protectionism—which is like this, it doesn't always appear, but it applies to England—are the foundations upon which what is synthesized here is: the starting point was direct relationships, the direct organization of the process of social metabolism. And commercial capital, usurious capital, were forms of these direct regulations. And now, with all this development, the movement has reversed: direct relations, the power of the state, is the form that carries the development of the indirect organization characteristic of the capitalist mode of production. If the incipient forms of capital were concrete forms of feudal relations, and therefore a direct regulation that included aspects of indirect regulation, now what we have is an indirect regulation that takes the form of direct regulation. I don't know if that was clear.

Edgardo: Yes, yes, I think so. A twist.

JIC: And then he will elaborate on these things he raised there, referring to how the dominance of commercial and user capital shifts over industrial capital, how this is reversed, he will discuss the role of public debt and the development of an international credit system, and the sources of wealth to pay for this is the transformation of this process of primitive accumulation, the separation of the direct producer from his means of production.

He says that debt brings with it the need for the tax system, and regarding the role of protectionism in the development of primitive accumulation, he says: "[…] it was an *artificial means of creating manufacturers, expropriating independent workers, capitalizing the nation's means of production and subsistence, and shortening"*—there, the term " shortening" —" *the transition from the old to the modern mode of production. "* [328]Why does the term "shortening" provoke criticism in me? Because when this idea of "shortening" a process is raised, something that is a necessary form of that process is being presented as external. It then appears as if it were external: this would have happened this way if this hadn't occurred. But what did happen… Okay, if one says: well, a meteorite fell in the middle of things, or a volcano erupted and the entire population was burned. But these are the forms of development of that process of primitive accumulation. So, the term "shortening," "accelerating," appears as external. I would say: it passes to those forms that carry this development at the speed at which this development engenders and reproduces them. That speed may be greater or lesser, but it's determined by the process itself, but those determinations can never be viewed as external. I don't know if there's anything you want to say about that, because in political discourse, particularly regarding overcoming the capitalist mode of

[328]Marx, K. (1977: 643), *Capital,* Volume 1. Mexico City: FCE.

production, the phrase "thus we accelerate the development of this process," "we shorten the development," etc., appears frequently.

Well, this is a summary of the forms that the process of primitive accumulation takes. He will end by saying: this includes the abduction of children. And he will make another observation that appears many times, which is that violence is the midwife of every old society that carries within it a new one; it is in itself an economic power. This is the form that the transformation of the feudal mode of production takes, and the modes of production upon which capital advances; the exercise of violence is the proper form of the development of the productive forces.

Randy: What? I didn't understand.

JIC: This: with all these forms of violence that appear in primitive accumulation, what one has before one is that they are not external to the creation of the capitalist mode of production, and therefore it carries with it the overcoming of feudal society in capitalist society. They are not external, but rather they are integral to the very transformation of the organization of production, of the production process, and of social consumption. How peasants are transformed into workers, how they are expelled from the land, how they are converted into labor power for capital—that is a transformation of the organization of production, and it necessarily takes the form of a violent process: it is the violent expulsion of peasants so that they leave the land, become the nomadic mass, become the mass of labor power at the disposal of capital, so that artisanal production disappears and industry can develop on the scale of the domestic market. It is not an accident: it is a moment in the organization of social production. I don't know if that suffices.

And here we arrive… He criticizes the consciousness that has now emerged among Europeans in particular: what the general consciousness of this society does—Marx will refer to it as "public opinion"—celebrates all these brutal forms as legitimate because they serve the accumulation of capital. Are we up to this point? Because what follows is a synthesis of this. It is: the ideological discourse about the natural and eternal laws of the capitalist mode of production, about its historical genesis, with its glorification of human freedom, has an origin that is the complete opposite of the ideological discourse of genesis; it is the complete opposite of what is being presented. And what it entails is the separation, on the one hand, of the "great mass of the people," transformed into wage laborers—he will refer to them as " *working poor* " [329]—because in the time of Smith and Ricardo (even before), many times, when workers are mentioned, the term used is "poor," and free. There is a matter here in the FCE translation that makes me suspect whether it is reliable; see if you have Siglo XXI there, and it says, it ends the sentence saying: "[…] *this artificial product of modern history* " [330].

Randy: Yes, in the 21st century it says: "[…] in ' *laborious poor* ' free, that *artificial product of modern history* " [331], the same thing.

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[329]Marx, K. (1977: 646), *Capital,* Volume 1. Mexico City: FCE.
[330] Ibid.
[331]Marx, K. (1988: 950), *Capital,* Book One, Vol. III. Mexico City: Siglo XXI.

JIC: I suppose the "artificial" there... I don't know if it's very appropriate; we'd have to see what the word is in German, because it gives more the impression that it's not what one would immediately think of as "artificial," but rather "artifice": this is what modern history has done. But I don't know if perhaps nothing is, it's just placed like that. And the last thing I would dwell on, following Marx's development, is also the synthesis that " *capital* comes into the world dripping blood and mud from every pore, from head to toe [332]." I put it in this connection that I recently had the opportunity to make: when barbarism is presented as what would happen if the capitalist mode of production is not overcome, it ignores the fact that the capitalist mode of production, from its origin, is barbarism, it is this brutal form of organization of the social life process. I don't know if you want to bring something up, because now we're going to enter into an aspect that will flow until the end of the chapter, where these forms no longer appear, but rather what the content is, what this whole process entails.

7. Historical trend of capitalist accumulation.

Okay, I'll continue. Marx [...] is going to open this discussion with a question: what is the aim of the primitive accumulation of capital, the historical genesis of the capitalist mode of production? And he poses it explicitly as a question. And if we look at what we've been largely looking at, what seemed to us to be the worker's first freedom, in the sense that he ceases to be subject to the personal control of the master, the slave, the lord, etc., what Marx is going to argue is that, above all, what we have before us is a change of form: there is a transformation of the form in which the direct producer, the worker, is a forced laborer.

I want to clarify that it's stated more succinctly in the text, but the essence is this: the serf or the slave were forced laborers due to their bonds of personal dependence; what we've already seen is that the worker who sells their labor power is a forced laborer because they are a doubly free individual. They remain a forced laborer; what changed is the form in which this forced labor exists. And one can associate this development, if one looks at the formal subsumption of the worker under capital, with this transformation. What Marx will argue is: the key to primitive accumulation lies in the expropriation of the direct producer, it's the destruction of private property based on one's own labor. I want to clarify this: this was already a free individual, and so the point is that if I look at what formally changed, the only thing I see, the only thing primitive accumulation tells me is: well, the character, the form of forced labor, changed, and this is, if I look at the worker's first freedom. But if I look at a subject who, before the capitalist mode of production, was already a free individual—a condition of which was being the private owner of their means of production—the key to understanding the process of primitive accumulation is what happens to the productive forces of free labor when they become the productive forces of doubly free labor. And this is what will follow in the development of the text.

[332] Marx, K. (1977: 646), *Capital,* Volume 1. Mexico City: FCE.

Randy: So, when he's referring to the dissolution of private property based on one's own labor, is he going back to the origins of capital? I mean, to the producers…

JIC: This is complex. I read it this way, and what it confronts me with is this: all the development we've seen so far is about what the capitalist mode of production does in the historical process, and what it does with the labor of that free individual. References will now appear […] to what happens to this labor, what productive forces it possesses, and when that direct producer, who was a free individual, is transformed into a doubly free individual, what can they do that they couldn't do as a simply free person? And what they can do is the entire unfolding of Volume 1.

Randy: So here, instead of a historical analysis, we'd have a bit of logic.

JIC: Here's the essence of what's happening, that's why… I don't know whether to bring this up now or after having gone through Marx's explanation, but I once had a discussion at a table with a prominent Marxist historian, who argued in his presentation that Marx's theory of the origin of the capitalist mode of production is wrong because, in reality, there weren't free producers, there wasn't the figure of the free peasant; they were marginal. What existed on a massive scale were slaves, serfs, and workers forced into labor by class structures. And my response at that moment was: here he's not saying that this is the historical development; here he's outlining the entire historical development. What he's proposing is: this is the key to that historical development.

Then, and this leads to the more complex discussion we can return to, is the whole debate about whether… Well, two things. Nicolás Grinberg was working—I think I mentioned it to you last time—on the historical genesis of the capitalist mode of production, and why England is central to it. I made a series of criticisms, comments regarding whether he wasn't forcing that idea too much. But what he observes is that in Europe, in different societies, there were a number of producers, free peasants, free artisans, but especially the condition of free peasants, and that it is therefore valid, as a concrete historical development process, to also have this form.

Edgardo: So, what Marx explains in that chapter is also valid as a historical process.

JIC: That predominance of peasant production, which is common in Europe, is not the case in America...

Edgardo: Is the plot set in England or across Europe (well, at least in Western Europe)?

JIC: What Nicholas observes is that there was much more to it than just England, but that it was particularly strong in England. From my point of view, it's not relevant whether it's the specific historical process or the key to that process. What

matters to me is that it's key to the historical process, because it tells me what the capitalist mode of production does.

Now, this also brings up the whole discussion about whether Marx considered the simple production of commodities as a general historical fact or not. Engels is then accused of saying that there is a mode of production, or something like that, of simple commodities, and of falsifying what Marx said. Now, in Volume 3, there's a paragraph by Marx that says, I don't remember exactly, but the gist is that the simple production of commodities is the historical origin of the capitalist mode of production. Therefore, Engels is accused of having moved that phrase, but the phrase was written there, so wherever it appears, that's what Marx is saying. And when you look at it in the development, what emerges strongly is the expression that, as soon as he begins with the development of the value-form, what he's going to say is that the development of the value-form is the development of the commodity-form, as the historical development of the commodity-form.

When he looks at the production of absolute surplus value, I always present it in the workshops not strictly as a historical development, but he strongly presents it as if these conditions are given; and the conditions that are given are those of the independent production of emergencies: there is a productive technique, there is a working day that capital will later try to extend, there is a subsistence wage that is given and that is what that producer, if he were not a worker, would need to reproduce his labor power, and now, as he is a worker, it has taken the form of the value of labor power, and there is the historical and moral element that comes from the conditions of the previous society.

When he discusses the development of relative surplus value, a historical sequence also strongly emerges in his exposition. And, in turn, I'm not sure if that historical sequence is entirely accurate, because, among other things, he presents the division of manual labor as the condition for the development of machinery. But when you look at the manual assembly line, what you find is the opposite: from the development of machinery springs a process of division of manual labor, a manufacturing process emerges; the assembly of machinery is manufacturing. But the entire development is strongly structured, accompanying a historical process. I'll say it again: from my point of view, what I see there confronts me with the content of that process; I'm not going to say "I don't care" because that would be too... What it answers for me isn't the problem of the development of that historical process: what matters to me is what capital is today, what the capitalist mode of production does with free labor when it transforms it into labor done by a doubly free worker; and I read the unfolding of capital, and it's that process step by step.

I was going to suggest that, once we've finished Marx's analysis, we revisit that process and say: well, what we're seeing at the end of this chapter is what's been developed throughout Volume 1. And that, moreover, from a methodological point of view, again demonstrates the necessity of the starting point. It's already apparent that he recognizes the necessity of the starting point, but now what becomes clear is: of course, he had to start with the commodity in order to understand what the capitalist mode of production does when it separates the direct producer, the free individual, the private owner of their means of production,

and transforms them into a doubly free worker. It's the development of the productive forces of individual free labor as productive forces of free labor done collectively—I'll get ahead of myself—always within the limits of social labor that is organized privately and independently. So, that's what we've seen unfold throughout this analysis. And now, then, what Marx is going to very succinctly explain is what happens in a society in which private property based on one's own labor prevails, what limits it has, and how the abolition, the expropriation of the direct producer of his means of production and of his means of subsistence is the condition for the development of these productive forces that spring from the social character of labor.

I don't know if you want to raise anything else now, because I would leave it to address at the beginning next Wednesday, how it unfolds things that, some of them, are stated at the outset, or at a certain stage in the development of surplus value production, saying: this condition can only be achieved on the basis of… When he looks at the development of machinery in agricultural production, he makes that point: science can only be applied on the basis of the dissolution of peasant production, because peasants are isolated individuals who cannot set in motion a directly social labor force. Science is the product of capital because a society of free individuals, private owners of their means of production, cannot develop scientific knowledge because each one is tied to the immediate production they have to carry out to reproduce their life.

Okay, next time we'll look at this whole development. I would say: let's look at this, let's look at the synthesis, and in the middle of all this, I want to raise a critique of the development that Marx presents in the chapter; and even contrast it with a development that is outlined, let's say, in the drafts, in the *Grundrisse* —why doesn't he take it up later? Of course, Marx would know why he didn't take it up; no one can say why he didn't, but it is striking and forces us to ask what appears there. See you next Wednesday.

[II]

This is almost the last time I'll ask the question: Is there anything from last time that you'd like to revisit? If so, let's move on…

Javiera: I have a question. Last week I got lost with something […], we were talking about the double freedom of the worker, and I think you said […] that deep down he wasn't doubly free, but he was already free, and I think that was related to collective work. Is that right?

JIC: Yes, I don't know to what extent; my recollection was that we hadn't made much progress on that. Anyway, I 'm bringing it up again now as a starting point.

Javiera: Okay, wait a bit, but how far did we get? To number 4?

JIC: We've reached the final stage of development. […]

Is there anything else? Then let's... We had been following the development of the concrete forms that the process of primitive accumulation takes, and then all this appears regarding the exercise of violence and the destruction of previous social forms or relations, etc. And now Marx is going to pose the point we're at in the form of a question, which I think is what we almost wrapped up with last time. The question is: what is the aim of the primitive accumulation of capital, the historical genesis of the capitalist mode of production? And the answer that will be given, for me, can be associated with the culmination of the unfolding of the question of the formal and real subsumption of labor under capital, of the worker in relation to the capitalist (since this is tomorrow's topic, I'm well aware of it), but in this sense. Because what Marx is going to argue is that when he does not simply convert the slave and the serf into a wage laborer, thus determining a simple change of form, what change of form is he referring to?

The slave and the serf are forced laborers due to their bonds of personal dependence. But what happens to them when this process of primitive accumulation transforms them into doubly free workers? They remain forced laborers, but now not because of their relationships of personal dependence, but rather because of their status as free individuals. So, the first thing that emerges is this, and for me it's a key point in Marx's argument, because what he's proposing is: here were individuals who were not free and who have now become free individuals, and that is the worker's first freedom. And that's what appeared, what Marx was referring to, which was the glorification of the process of primitive accumulation, because it appears as the development, the affirmation of human freedom; and what Marx had discovered is that this freedom, through the worker's second freedom, is the condition of being a forced laborer for capital.

But what he adds next, continuing the sentence, is: “Primitive accumulation means purely and simply the *expropriation of the direct producer, or what amounts to the same thing, the destruction of private property based on labor."*

[333]And what corresponds to private property based on one's own labor? It corresponds to a subject who was already free from personal dependence but lacked the second freedom: he was a private owner, tied to his means of production and means of subsistence. And so, what will emerge as the central theme of development is what happened to this individual who was already free, what did capital, in the development of the capitalist mode of production, transform in relation to this individual who was already free, by separating him from his means of production and turning him into a doubly free direct producer? And so, what Marx will unfold, the figure that will appear linked to this, is the peasant, owner of his land who works his land, the artisan who owns his instrument of production and operates that instrument of production and organizes his work.

So, what will it look like? The issue here isn't that he was transformed into a free individual, and at the same time into a doubly free individual, but rather that he was already a free individual. What happens to him when he becomes doubly free? What does that transformation entail? And so, what Marx unfolds is to what material form of labor, to what organization of the materiality of labor, does this free individual, the private owner of his means of production, correspond? And what he will propose is: this is small-scale agriculture, small-scale artisanal and industrial production. And he says: even though serfdom and slavery continued to exist alongside these free individuals, the classic expression of this situation of the direct producer who is the private owner of his means of production is the figure of the free artisan and the free peasant.

I'm going to make an observation that goes beyond what Marx proposes, related to the idea that here we see the figure in its purest form. A society of simple commodity producers, of free artisans and free peasants, both private owners of their means of production, always requires, in order to affirm its unity, the existence of some kind of direct personal bond; because this relationship between free direct producers clashes precisely with the private and independent functioning of social labor. And so, when one looks at the community of free peasant landowners, in general, what appears is that, in any case, they are tributaries, they have to pay what we saw in the process of dissolution: there are taxes; all the political structures that correspond to the stage of development of primitive accumulation in Europe are all monarchical in nature, where unity is established through a bond of personal dependence. There may be some areas where this isn't the case, but in general this appears, and it appears very clearly among the free artisans, because they are associated in guilds; And the guild, first, regulates who can produce, how they have to produce, how much they can produce, and then, through the bond of personal membership in the guild, the general movement is governed.

And this relates (I must not have mentioned it here) to when we looked at Chapter III of this volume, and the situation arose in which unity is established indirectly, and it may be that more or less of a commodity has been produced than what corresponds to normal production. And what Marx develops at that point is

[333]Marx, K. (1977: 647), *Capital,* Volume 1. Mexico City: FCE.

simply the content of how that situation is governed, but not the form, unlike what Adam Smith does. Adam Smith argues that if there is a surplus of this commodity, then the producers of this commodity will start producing another commodity, and if there is a shortage of this one, there will be those interested in producing it. And Marx doesn't develop this form; and he doesn't because that form is competition, and among simple commodity producers, it is very difficult to shift from one type of production to another, because the individual who produces shoes has the means of production and the knowledge to produce shoes, and if there are surplus shoes, they cannot start producing bread. We will only see the forms of that movement when we get to Volume 3, where it will appear what governs the unity of the social life process, and then how production moves from one side to the other, governed by that expression of unity.

So, one must always keep this in mind: Marx treats them as if they were purely free individuals, but in concrete historical events, the picture isn't so clear-cut. However, the key to understanding what primitive accumulation does is substantial: formally, it transforms individuals who were already free into forced laborers, into another form of forced labor. What does it transform with respect to the materiality of the production process? And this is what will emerge here. Therefore, to elaborate on this, he will refer to what characterizes production in a society of free producers who are private owners of their means of production.

And what it states is this: this presupposes, first, the fragmentation of land, the fragmentation of all means of production; no process of direct cooperation is possible, an absolute division of labor is imposed among the parts of each production process; and, therefore, this form of organization of social production raises the question of what it excludes: it excludes the possibility of cooperation, the division of labor *within* the production process itself, and the development of the productive forces that arise from the directly social character of labor. We, at the outset, saw that the productive forces of labor are, first and foremost, social productive forces: they are the product of social labor carried in the body of each individual in the form of individual productive forces. And so, if we look at this society of free direct producers, what we have is the fullness of the productive forces of individual labor, because the individual governs the organization and execution of their work, has full control over their individual work, but what happens is that they cannot set in motion any labor force that requires, or that directly has, a social character. He cannot cooperate with other individuals.

We saw that in the process of cooperation, the productive power of labor increases because one learns from the work of others, because one cooperates with others. And the other condition that will appear linked to this is that there is no room for the development of science, and therefore, no possibility of collectively dominating nature. And so, what he will propose is: to pretend that this form of society is eternal, a limited form of the development of the productive forces of labor—he will quote an author whose name I have no idea about, who says—is like decreeing general mediocrity.

What will be developed next is how, from this very movement of the productive forces, from these individual free labors, how the development of these productive

forces will advance and clash with their own movement, creating the foundations for their own overcoming. And what is the way to overcome the limitations of production based on the purely individual labor of the private owners of the means of production? It is the possibility of collective labor, of moving to direct cooperation while maintaining the productive forces of free labor, maintaining the productive attributes of the free producer. And the only way to transform these productive forces inherent in individual free labor into productive forces of free labor carried out collectively is the abolition of private ownership of the means of production themselves; and this means transforming the means of production from simply individual means of production into means of production that can operate with an immediately social character. The way to achieve this development of the productive forces is through the abolition of private ownership of the means of production, the concentration of private ownership of those means of production in the hands of a few, and the consequent transformation of these free producers into doubly free ones, separated from their means of production and their means of subsistence. And so what Marx will argue is: this is what the process of primitive accumulation tends toward as the starting point of the capitalist mode of production. Are we up to this point?

Edgardo: One thing. So, these free individuals who still have private ownership of their own means of production are a prerequisite of the capitalist mode of production, that is, they are not part of the capitalist mode of production.

JIC: They are the origin, or Marx would put it in terms of: it is the prehistory of the capitalist mode of production.

Edgardo: That bothers me a bit, because I then relate that if we affirm this, it doesn't enable the idea that there was a society of simple commodities in history, as Engels called it.

JIC: Yes, from simple producers of commodities. I don't know whether to stop now, or look at it as the issues we'll have ahead of us until the end of the chapter. I'm unsure about that, because it's going to take quite a while, but well, I'm trying to move forward with what's been proposed.

I always—and for me, deep down, this is the most relevant thing—considered this to be the content of primitive accumulation. What was the content of the process of primitive accumulation? That it doesn't matter whether this is the concrete historical process or not. And I once discussed this at a conference with a Marxist historian who was questioning Marx, saying: there were no free peasants, that wasn't the general form of the organization of social production, so Marx was wrong (besides, he started with that). And I jumped in [Laughter]. I think I mentioned to them that Nicolás Grinberg, who is part of the Center [334], was looking at the historical process beyond the capitalist mode of production, and looking at the concrete forms, apparently in England, in several European countries, but particularly in England, there was a significant part of the population that met these conditions. We have to remember that all the artisans of feudal society, all

[334]The CICP.

the urban artisans in particular, had these characteristics. And the peasant artisans, it's possible that a significant part of them also had these characteristics.

There are the processes, often defeated, of the Comunero uprisings in Spain, which would imply that there was a certain… Okay, at the same time, the defeat of those movements led to very strong subjugation to the monarchical and manorial structure; but it is possible that much of that was transformed into monetary tributes, and that these monetary tributes, in reality, already appear with the conditions of commodity production by a producer who in that case is not yet personally free, but who already has the general attributes of a commodity producer: he has to decide what to produce, how to produce it, how much to produce, how to transform what he produced into money… Consequently, he has to enter into a general social bond, with which…

Randy: But, excuse me, Juan, wouldn't that bring us into the realm of classical economics regarding the worker who saved, precisely? Wouldn't that be somewhat touching upon that concept, because one could consider the subject being criticized, in a way, the subject with whom primitive accumulation begins, who is this figure who, through his own labor, generates savings, and is like a proto-capitalist who constitutes himself as a capitalist—isn't that precisely what Marx is criticizing?

JIC: He's criticizing that and showing that, in reality, that process of supposed savings… This is the expropriated, the one that vulgar economics, now in the form of neoclassical economics, presents as the origin of the capitalist. What Marx is showing is that this is the origin of the worker: the one who had private ownership of his means of production was expropriated. And as he develops the concrete aspects, what emerges are the origins. He makes this observation: not all serfs are freed under the same conditions, nor do they all have the same resources; and he places this among the origins of the tenant farmer, the tenant capitalist. If there is someone who has means of production, who can begin to use purchased labor power, etc., and he becomes the tenant farmer. But what he's going to argue is: this is the general movement, which is the opposite. Those who were workers and had the greatest productive attributes because of their status as free individuals, these are the ones who have their private ownership of the means of production taken away.

I return to what Edgardo was saying. So, for me, this has always been particularly relevant: this is the content; it may not necessarily be the concrete form, but it is the content of the process. This is what shows me what the capitalist mode of production does as a historical mode of production, what the specificity of the capitalist mode of production is. Now, regarding the argument of the existence of a prior production of simple commodities, which is presented as a distortion introduced by Engels… In Volume 3, there is a paragraph by Marx—it's in the originals, it's in the drafts—that states verbatim that the production of commodities is the historical origin of the capitalist mode of production. I don't have it recorded or cited anywhere, so it's very unlikely I'll be able to find it. But there it appears verbatim, stated by Marx: here we have an organization of social production based on the private ownership of the means of production, and this is

what was transformed, or this is the historical origin of the capitalist mode of production. The only thing Engels can be accused of doing with that paragraph is changing its place, but the paragraph is there, so it's not simply something added by Engels; it's a statement by Marx. And if we return to the analysis we've been developing, what emerged was that the development of the value -form is the historical development of the commodity-form. And when you look at the development of the value-form, what emerges is how the commodity becomes money, and so on.

When he begins to examine accumulation in Chapter IV, he is already looking at capital as the subject; but what he will focus on is: what determines the value of labor power? Well, what the worker needs to live. And where does this worker come from? He comes from being a commodity producer. Because it's not that the serf became a worker; he is someone who was already involved in commodity production. He even says: it depends on the historical conditions… Then comes the question of what production technique the worker uses, and the technique, when the development of the labor process appears in Chapter V, is that of a worker who comes with the productive attributes of being a free individual, and up to that point there is no specific reference to the technique of the properly capitalist production process, except that he concludes the labor process by saying: he does all this, but now he does it under the control of the capitalist. And from there he moves on to the valorization process.

So, one is faced with… Even the length of the working day initially appears as given, and what capital tries to do is prolong it. Now: whose working day is it? It's not the serf's, who works in agricultural production, it's not the slave's: it's the commodity producer's. And for me (well, tomorrow I'll see if I have time to put it this way), when Marx develops the process… And it's very marked in the draft published as "Unpublished Chapter VI," it's very much framed this way, and I keep it in mind because Veraza clings to this a lot, not because he says this is the historical origin, but because it's very much framed as: these are the conditions of production of this direct producer, and capital advances on these conditions. And so, my point is: in Chapter IV, capital already appears as a subject, but it's a subject that isn't yet… The purpose of the whole process, of the social production process, is the multiplication of capital. When the production of absolute surplus value emerges, capital asserts itself as the subject, but it is a subject that does not set its own conditions: the conditions come from the previous social form. And when we move to relative surplus value, what Marx describes as the shift from formal to real subsumption, what appears is that capital is the subject that sets all its conditions, that determines the production techniques through the socialization of private labor, that determines the length of the workday according to the intensity of labor, and that when it continues to advance—this is already in the stage of reproduction—what appears is that the worker, the working class, is an attribute of capital; all the conditions of its movement are set by capital. And this is the subject we ultimately arrive at.

So, the question is: to what extent was Marx not really viewing this process as the process...? Excuse me: when it enters into relative surplus value, it enters into cooperation, which means that the work continues to be done in the same way as

before. By whom? The artisan who worked alone in his workshop, only now he is working alongside others. From simple cooperation, Marx starts, and arrives at a complex cooperation in which a collective of workers all work on the same object of labor. And that is the step towards the division of labor in manufacturing. And Marx will speak in various places about a manufacturing stage, and as he develops manufacturing, what he will propose at a certain point is the reduction of all human movement wielding the tool to a mechanical movement; what emerges is machinery. And so, the form of cooperation and the transformation in the materiality of labor with the development of machinery. So, even within that exposition, within the capitalist mode of production… When I start, I always say: at the starting point, history is the result: this is the capitalist mode of production, these are the commodities of the capitalist mode of production. And then, the general unfolding that Marx does, when a historical process appears, is within the capitalist mode of production.

But when you look at that whole development, at Marx's assertion in Volume 3 that the historical origin of the capitalist mode of production is the simple production of commodities, it begins to seem that Marx must have been viewing the process in this way. For me, whether he was viewing it that way or not... First, I could never answer whether he saw it that way or not, if this doesn't have the organic nature that is always present in the process of historical development. For me, that's not the relevant point; what's relevant is the content of that transformation: the transformation of individual free labor into free labor done collectively, the socialization of individual free labor within the limits of the capitalist mode of production, within the limits of the private nature of labor. Well, then, this would be the answer to what you were asking, Edgardo. I regret not being able to give you the exact phrase; it's a text, a body of text, not simply an isolated statement, but rather something that has been developed. It also includes a Latin word, which is... It's not the presupposition, it's the... it's not the "primus," but something like that. It's not a "premise," but... It's going to be useless to try... I quit. Edgardo, I don't know if this will help...

Edgardo: Yes.

JIC: I'll make another clarification later, related to this, which reinforces the image that for Marx, the unity of this process as a process of historical development was relevant. There are other reasons, which we'll discuss later when we finish tracing Marx's development, namely the possibility of not stopping at primitive accumulation and developing the complete picture without looking at the historical origins of the capitalist mode of production. But at the same time, something is missing, but we'll look at that later. Fernando, what did you want to suggest?

Fernando: Yes, actually, a number of issues raise doubts for me about the historical development presented there, not so much about the content of the argument itself, which, as you said, is the relevant part, and ultimately doesn't negate the doubts I have. Because it's the same thing, the only difference is the origins, but it's the same transformation that develops the capitalist mode of production. But I mean, regarding this society of simple commodity producers, my

first question is whether, in addition to the fact that there has to be, let's put it this way, within the production processes, some bond of personal dependence that establishes unity—because otherwise, there can't be a transfer, let's say, of the different productions with the change of means of production—or if this isn't limited to the fact that it can't be generalized across all branches of production activity, because otherwise, total unity, general unity, would be established by the decisions of the unions. Do you understand?

JIC: No, no, that's why: the general unit has some structure, that's why I brought up the monarchical structures, and it's also the development of... Nicolás was looking at that too. I think the problem there is that you have to be very careful not to see things you *'d like* to see that aren't actually there, and to jump to conclusions in the development, and that makes it complicated to look at that historical process. But yes, there are general units. That's why I'm not entirely sure when the Swiss cantons became independent, because that's a society that still carries the characteristics of a society of simple commodity producers.

Fernando: But it's not the only one, because what appears as the "free cities" in Italy is something similar.

JIC: Yes, but the free cities in Italy have a strong commercial character, and it is quite possible that some of the commodities circulating in those cities are not products of free workers.

Fernando: Well, that's precisely what I was getting at. Because what I've been seeing, from some things I've been reading, first makes me question this whole idea of establishing a global unity, where capital comes from in all of this. Its content is global, but this global unity is established through the form of its opposite, but where does this all begin? Because one might say: well, the Swiss cantons became independent, but did they have an internal unity or were they part of a unity that transcended it, this society of free producers? Do you understand the question?

JIC: Yes, but the problem here is basically the internal functioning, because it's the production unit; they are artisans who produced for the external market. But the thing is, if a market relationship operates within that society, then it seems very difficult for unity to be established and for it to flow.

One could also ask: in any case, aside from guilds, all societies exhibit structures of social organization in which the individual belongs to the community. It's not that this is open and the organization reaches everyone who happens to be nearby; one must belong to that community. The question is also to what extent commodities circulate within the community, especially because these are societies where, except for urban artisans, everyone is a peasant and an artisan. So we need to see what they actually buy, how much commodities circulate within the community. But we would have to look at the specific historical development.

Fernando: And there's one last question, Juan, I don't know how frequent this was or how significant, but the existence of the production of commodities in artisan workshops with slave labor, and in series, and even with quality seals.

JIC: We'd have to see. Going back, how much of that comes from outside the areas where accumulation is going to start developing? I don't know. The national workshops, it seems to me, came later, in France, which is a process of this kind, but it seems to me that's part of primitive accumulation; they're already displaced from the land...

Fernando: Likewise, sorry to interrupt, what I'm saying is very much linked to these cities with a significant presence of commercial capital; in fact, it's all quite mixed up, and not only in Italy: for example in Barcelona or Flanders, this situation appears of merchants who also had artisan workshops with slave labor, mass production, and quality control.

JIC: But in that case, it's the other transformation Marx refers to: they weren't free, and they became free in both senses of the word. But it appears as if it doesn't reveal the potential of the transformation of individual free labor into collective free labor because they weren't free. What the potential shows is this. Now, to what extent does this…? I mean, in America, it's clear that it's not this process of primitive accumulation. What we saw last time is far from having this form. But what happens in America is that it doesn't generate the process of primitive accumulation on its own. So, where there were free peasants, hunter-gatherers, those were basically annihilated; they weren't transformed into workers selling their labor power. Those who become sellers of labor power are basically subjects of societies where there are bonds of personal dependence of a "hierarchical" nature, let's say, who already have the discipline of collective labor before becoming wage laborers […].

Edgardo [Chat]: Has Nicolás published any of that work or is it still a draft?

JIC: I think Nicolás still had it in a stage of development that requires great care to avoid making leaps. I made a series of observations about the approach; I find the work very interesting, but I think we need to be careful. I remember what you said, Edgardo, last time, about the observations on the development of maquiladoras in northern Mexico, not because of the proximity of the border, but presented as stemming from the history of societies disciplined for collective work, and I think that's a leap one can't make. We would have to have a very clear understanding of it to be able to raise an issue of that nature because, in the intervening periods, there are several centuries of historical development that don't have this structured form of work. Were you there, Fernando, the other day or not?

Fernando: I wasn't there, but I saw the recording.

JIC: Well, then it seems to me that Nicolás's argument requires a lot of refinement and also a lot of historical evidence. Because otherwise, one picks

points where what one would like to see appears, but the question is about the unity of that entire movement.

Fernando: Based on what Edgardo brought up last time, in the work we did on Central America, we encountered a limitation that we couldn't answer, but I suspect it stems from this: at some point, Korean textile companies began looking for places to establish themselves with cheaper labor due to the rising cost of Korean labor. There was a statement from a CEO of one of these Korean companies saying they were going to set up a maquiladora-type subsidiary in Guatemala because they found in Guatemalan farmers the same skills and attributes as Korean farmers had 40 or 50 years earlier; and this statement was quite telling. However, when you look at the process in Guatemala, you see that the maquiladora industry is limited; as it moved further inland into areas with larger and more isolated indigenous populations (a large part of the Guatemalan population doesn't speak Spanish at all), this limitation became apparent, preventing the maquiladora industry from expanding. So one wonders if the limitations are related to this, to the fact that they don't even speak Spanish, or if these forms of society—which aren't exactly the same, the populations of Yucatán and those of northern Mexico—did have the same attributes of collective work as the tributary peasants of the Korean peninsula. I don't know; it's a question that came up in the work we were doing.

JIC: Yes. This is an anecdote, and it's going to be a digression. It's what an Argentinian sociologist, who specialized in cooperation among farmers, observed when he went to Korea. This is from the 1970s, early 1980s: that here they had to teach farmers to cooperate, and that in Korea they had to teach them not to cooperate, to have some independence of judgment [Laughter]. Javiera.

Javiera: I have a very specific question related to this idea that they were free from the bonds of personal dependence, because if they already had the discipline of collective work, you know there's a part in the...

JIC: Forgive me, Javiera: they lacked teamwork discipline. They lacked it because they are independent producers.

Javiera: Okay. That's why Marx, in point 3, refers to the fact that they couldn't achieve the necessary discipline at the time they were expelled, as if they had difficulty integrating into the process of large-scale industry, as he's referring to them, right? Like that issue of discipline.

JIC: Yes, I would have to see the exact phrase.

Javiera: Yes, it's when he's talking about the bloody law, like about the vagrants.

JIC: Yes, we have to look into that. This is where it comes in: during the enclosure process in England, it's assumed that some of those expelled were serfs, who lacked the attributes that industry would later require, and that violence was used to transform them into workers. How many of those were free peasants who found themselves in that situation? We'd have to examine the specific historical

development, but, well, we also have to consider that it was a large mass of peasant population who had no contact with industrial work, who at most had artisanal work, regardless of whether they were already free, slaves, or serfs. So, discipline was imposed on them not simply because they were already free and therefore lacked discipline. In any case, in general, what we have is: all peasant production is production, even if they work for the same lord, and it generally takes the form of isolated production units where the direct producer, in addition to what... Based on this, I raise a question that is in Volume 3.

In Volume 3, when examining the historical genesis of capitalist land rent, the transformation of feudal rent into capitalist rent, Marx refers to three stages, which have all the hallmarks of historical developments. The first stage is labor service, where the peasant, as a result of the development of his productive forces compared to the slave, has the need to organize labor. The master organizes the work the slave does for the master and the work the slave does for himself. With this labor service, the serf now has to work for a time on the lord's land, under the lord's command, but he must also work at another time of the year to reproduce his own labor power. And this is the serf's problem, not the lord's. The serf has to manage to have enough labor power available when he has to perform his labor service. When you look at it in the Americas, the mita is not an individual system, it's a communal system, but it has that same structure. The community must ensure that a portion of its members can go and work on the Inca's lands for a certain time of year, or for a certain number of years. Therefore, this is the first method that emerges.

The next form that appears is tribute in kind, which is tribute in the form of use values that the lord will consume, essentially, because that is what the serf can produce. And here, the serf, being a worker bound by his personal dependence, not only has to organize work for himself, but also for the lord, because it is the serf's responsibility to deliver the tribute in kind. And if the serf does not comply, the lord can exercise all the personal violence that his relationship affords him. And the third form is tribute in money. This is a subjugated worker, bound by his personal dependence, but now the serf has to behave as if he were a free producer of commodities: he has to decide what he produces, how much he produces, how he produces it, he has to transform those commodities he produces into money, and deliver the tribute to the lord.

And here, what we saw in Marx's specific analysis is the role that taxes and public debt play in the development of primitive accumulation. Because money must be produced, money must be possessed, and this forces the general transformation of production into commodity production, forming a society of commodity producers, whether as workers forced by personal dependency, or as free individuals, however it happens; this is how generalized commodity production develops. So, when one looks at a population largely of peasants—not large-scale irrigated farmers, because large-scale irrigated farmers do have structures of collective work discipline—but in England there is no large-scale irrigated farming. Furthermore, I suppose that most wheat cultivation at that time was dryland farming, without irrigation, because even in those regions, if irrigation does appear, it's very much a product of the development of the capitalist mode of

production itself. You don't see images of flood irrigation, vast plains, or river flow management. There are small valleys where large-scale farming isn't feasible; it's better suited to relatively independent production, even independent of each other, because those in other valleys can't cooperate with those in this one. So, that's it. Javiera, I don't know if I answered your question or not.

Javiera: No, more or less, but look, beyond the specific forms, what I still can't quite grasp is what happens to this individual when he becomes a doubly free worker. So, what I wanted to ask you is, this individual who is free only in this sense of personal dependency, is an individual who fails to recognize himself as an individual, right?

JIC: I suppose that since there are still ties of personal dependence for the overall unit, no. To be part of the guild, the guild has a real privilege that gives it a monopoly over this production, in this space... I don't think so... But it is an individual who has full control over their individually performed social work, because they organize their work when... Okay, once they're in the guild, the guild tells them a whole series of things, but then creating the masterpiece is that individual's problem. I don't know, it seems to me that there's something more to your question.

Javiera: No, maybe it's because I'm thinking about South America. Now that you mentioned irrigation, I was thinking about a different work structure, which is why I started by saying there was discipline. Because, well, I don't know, the developments in China and Vietnam seemed to have a different structure; this peasantry has a very different approach from the one you mentioned in England. I mean, there's a very marked discipline in that collective work, and the same thing happens in South America. But it raises a lot of questions for me. I'm going to reread it because no matter how much I listen to it, it doesn't quite answer my question. It also raises a lot of questions for me that someone is an individual free from personal dependence, because I see the issue of tribute, I see these aspects, and I don't...

JIC: Think about this: what Marx is proposing is that the individual is the private owner of their own means of production; this is their condition, and from this arises their status as a free individual. What did we see of a free individual when we started? They have full control over their individual labor, over the social labor they perform individually; that's the figure that's emerging. It doesn't matter how it's perceived, but they have that control; it depends on their individual will what they will produce, how they will organize production, and so on. And this is the figure that Marx is taking as a historical figure, and one can recognize it as a historical figure, and also as the figure of the subject of the capitalist mode of production whose development has accompanied us up to this point.

The simplest definition of private labor is an individual who owns their own means of production, because only in this way is there absolute purity of private labor. Any other structure of production implies that labor can no longer be absolutely private, even in the context of what I mentioned earlier regarding forms of servile tribute. When it is still in kind, the individual cannot have full control

over their work process, because what they will produce will still be determined by the lord. But when it is tribute in money, it already possesses all the conditions proper to the fullness of private labor. The individual is an independent private producer, with the caveat that they are not yet an individual free from personal dependence, but they are already the full expression of social labor performed privately. Any further step in the development of collective labor is socialization; it ceases to be the fullness of private labor.

So, one can look at this process (in fact, this is how I tend to look at it): we start with the purity of social labor done privately, and what we find is that the development of the capitalist mode of production socializes that private labor. But in the first step, when we move from Chapter III to Chapter V, there is already a socialization of private labor. It is no longer the purity of private labor. When Marx makes that transition, he is describing the labor process as a general labor process, that of an individual who handles the tools with complete control over them, which corresponds to the artisan who produces commodities. When the entire description of the labor process appears, and suddenly it says: well, but what is different about it is that it involves the control of the capitalist; there, there is already a socialization of that private labor. Because now there is an organ of social production that is not an individual organ: there is an organ in which one directs and the other executes the process. Neither the worker has full control over the work they do, nor does the capitalist have full individual control over the work they set in motion, because it isn't theirs; it depends on what the worker does, on the worker's will, in the sense that they are the ones who will operate the machinery. And so, there is already a social organ of production that works privately and independently, and everything that comes from the development of relative surplus value is the culmination of that socialization process. We'll leave it there; later we'll try to synthesize this. Yes, Fernando, did you want to bring something up?

Fernando: Yes. This, perhaps a bit simplified, but what the development of the feudal mode of production does through these three forms of tribute is to reach the full realization of private labor (I'll throw this out there, see what you think) in the form that the means of production gradually pass into the hands of the direct producer; it's the reverse process. I mean, in labor tribute, a portion of the main means of production, which is the land, and of the tools, belonged to the lord: the serf worked on that portion under the lord's control, but those means of production didn't belong to him. When tribute becomes in kind—we have to look at the issue of private property, but I'm just saying—since he has to organize his own work process, the control of all those means of production is in his hands. And monetary tribute adds the necessary means of production for the part of the production process that involves converting those commodities into money; that is, he has to have a way to transport those commodities to the nearest market. And that also happens to the serf, that is, it is a process that seems to be the opposite of what the capitalist mode of production does, which socializes the private.

JIC: Yes, it is the development of an individual private work.

Fernando: Of course. It comes from a collective effort, organized in a centralized, somewhat complicated way.

JIC: We'd have to look closely at where it comes from, because it stems from different historical origins. We'd have to examine it, which is why it's problematic, among other things. Here, private ownership of the means of production emerges. For the peasant, private property, their main means of production, is the land. And one thinks of the French Revolution, which essentially gave the land to the peasants, meaning those peasants didn't have private ownership of the land. So, a form of private property appears that, when fragmented, transforms them into producers of commodities who do individual work. That's why the peasants are all completely isolated, some of them...

Fernando: The bag of potatoes.

JIC: I don't know why the bag of potatoes.

Fernando: It's a quote from Marx, I don't remember…

Javiera: *The 18th Brumaire [of Napoleon Bonaparte].*

JIC: So, that's why when you look at that, you say: in France, this figure simply didn't exist like that. Now, when you look at the structure of the French nobility centralized in Versailles, then you say: surely the tribute had to be money.

Fernando: Well, but that's why: one can make a distinction there between private property and, although private property formally does not belong to the direct producer, its use and organization over those means of production does.

JIC: Yes, yes, there you're describing a specific production structure. That's why I keep coming back to the point: for me, the issue is the content of that movement, beyond the diversity of concrete forms. I know of historians who have these arguments: one looks here and says, "No, this, this, and this happened here. It's not true that the process took this form," then the other looks here and says, "No, but it did happen here, this, this, and this happened..." And there's an enormous diversity of concrete forms. That's why, for me, what matters is what this transformation reveals to me. If I look at the former serf, what I see is that all it did was transform him into a free individual. If I look at an individual whom I say, "This was a free individual," what it did was transform him into an individual with productive forces characteristic of a free individual who can now cooperate. What is the condition? Having separated him from the means of production. If the origin of the free individual is being the private owner of their own means of production, then the condition for their cooperation is to deprive them of both the means of production and the means of subsistence: then, they have no choice but to cooperate. And now, when one examines cooperation, one sees how it is increasingly advancing in this process of socializing private labor. We'll continue a bit further, because this will lead to a host of questions.

And then, what will appear is expropriation; this private property based on one's own labor is abolished and transformed into capitalist private property, where the centralization of that property is possible, where the process of developing collective labor is possible, and that process could only take place through violence. What will happen is that it destroys private property based on one's own labor and does not abolish private property, but transforms that private property into capitalist private property. If one was based on the direct participation of the private owner in the labor process, now it became private property based on the exploitation of the labor of others, labor of others that did not become slave or serf, but retained the attributes of free labor, because it became a doubly free individual.

Javiera: Can I ask a quick question? In the translation, I see something like "founded on the exploitation of other people's labor, although *formally* free."

JIC: Yes, let me see how it is in another translation. He's a forced laborer, there's no need to… In FCE there's also the term "formally free [335]." What we already know is that this worker is a forced laborer for capital, but not a forced laborer in the sense of personal dependence: the form his condition as a forced laborer takes is that he is a free individual. Since he is free in the private sphere to be the private owner of his own labor power and to be separate from the means of production and the means of subsistence, that makes him a forced laborer for capital. And in what we saw earlier, it's not for this or that individual capitalist: he is a forced laborer for social capital, for some individual capital, it doesn't matter which one.

Now—I'll put it very briefly, since Marx does it even more briefly than I can—what is unleashed by this transformation, by this abolition of private property based on one's own labor and of private property based on the gratuitous appropriation of the product of another's labor (capitalist property)? All the productive forces inherent in socialization are set in motion, forces that spring from the socialization of labor, the transformation of the means of production into means of production put into operation with a social character, that is, as collective means of production. And then, what Marx will argue is this: a new process of expropriation of private owners arises, but now it is no longer the expropriation of the producer, of the independent worker, but rather the expropriation of the expropriating capitalist by numerous workers. And what he will go on to develop is this: this expropriation, above all, unfolds through the very dynamics of the capitalist mode of production. The first form of expropriation is the process of capital centralization, where one capitalist expropriates a group of other capitalists. As capital centralization expands, along with the technical application of science and the scientific organization of production on land, all means of labor become collectively usable. This extends to other countries, which is described as the development of the world market and the international character of the capitalist mode of production.

And so, all this, on the one hand, has created… Up to this point, it's been viewed from the perspective, so to speak, of capital, what happened with the

[335]Marx, K. (1977: 648), *Capital,* Volume 1. Mexico City: FCE.

transformation of all the conditions of production into social conditions. But what will be contrasted with this is: just as all this centralization of capital occurs—and one has to take it as Marx puts it—, "[…] the mass of misery, oppression, and enslavement grows "—it's figurative—, "the degeneration and exploitation" of the working population, "but so too does the rebellion of the working class, ever more numerous, disciplined, united, and organized" [336]by the very laws that govern the movement of capital, by the very process of capital centralization. And then what he is going to propose is: now this monopoly over the social conditions of production hinders, denies the process that was unfolding, and imposes a… To give the production process and the means of production a fully social character, and consequently, he says, the final hour of capitalist private property has arrived, and what takes place is the expropriation of the expropriators.

And he's going to make this point. What he's going to say is—he illustrates this point—: capitalist appropriation is the first negation of private property; it's individual private property based on one's own labor. What does the capitalist mode of production, through its own development, engender? It engenders the negation of the negation. And he says: the negation of the negation of private property doesn't regenerate individual private property, but rather, on the basis of the socialization of the means of production and the development of all these aspects of the production process I mentioned earlier, the development of science... what it will give rise to is individual property based on the social character of labor, on cooperation and the collective ownership of land and the means of production, which are products of labor.

So, first of all, what one has to notice here is that it doesn't say "there is collective ownership," it says: there is individual ownership that is based on the collective process of production. And then, it will conclude the discussion (to do it quickly) with this statement, saying: what does capital do? It expropriates the masses of the people. It's a slow, long, and more difficult process than the transformation of capitalist ownership, which is already based on the immediately social character of production, into social ownership. And it will conclude with this idea that, if in that expropriation that transforms private ownership based on one's own labor into private ownership based on the gratuitous appropriation of the labor or the product of the labor of others, and involved the expropriation of the masses of the people by a few expropriators, here, on the contrary, it is the expropriation of those expropriators by the masses of the people. And that concludes the chapter on primitive accumulation, and we have practically reached the end of what we are going to see today.

Javiera: Why is it individual property and not social property?

JIC: It's individual property based on the social character of property. Because it's not abstractly social property: each individual is an individual organ within that process of collective ownership, and therefore, is an owner of those means of production. They are not alien to them; they belong to them individually, but they belong to them as an individual organ of the social life process. So, it's the

[336] Ibid.

affirmation of the fullness of human individuality as a social subject, not the annihilation of individuality. The ideological image is that the annihilation of private property appears as the annihilation of free individuality; the discourse that is heard every day in all our national spaces, particularly currently, is: well, private property is annihilated, the individual is dissolved into the mass, has lost their individual identity; and what is being proposed here is: no, it is the full affirmation of individuality, which knows itself to be an individual organ of a social unit. So, I understand that this is what this reaffirmation of individual property refers to.

Fernando (Chat): Is that why asserting oneself through the negation of one's own negation?

JIC: I'd have to think about it. If what's being affirmed through the very negation of the negation itself is that the capitalist mode of production engenders the possibility of this form of property, then Marx presents it more directly as if there's a negation here, and here's the negation of the negation. If that negation of the negation... What he's going to propose, which is why I doubt it can be viewed simply like that, is: this is the negation of private property based on one's own labor; he doesn't say it's the negation of individual property. Now what comes next is the negation of the negation of that private property based on one's own labor. What he's saying is that it doesn't restore private property: it transcends private property. Now, we would have to think very carefully about whether this implied, beyond what is stated textually, that this was individual property based on one's own work, and capitalism is also individual property, based on the exploitation of other people's work, and what reappears here is individual property.

Fernando: But excuse me, Juan, the problem lies in refusing through negation or self-denial, I'm not quite understanding it, but wouldn't that be the flow of the same quality?

JIC: First of all, I wouldn't take it so literally as if...

Fernando: Is the quantitative determination of the same quality or not?

JIC: But this isn't quantitative. We have to remember that Marx said he had flirted with Hegel's terminology and so on. Let's look at it throughout this whole development; it's a very rough development, but let's leave that for next time. Asking about subtleties in that rough development can be quite complicated, but you may be right, it may be conceived as a negation, but notice that it's not the negation of the negation with respect to quantitative determination, it's not a problem of quantitative determination.

Fernando: No, no, for me Marx is talking about a qualitative change there, that's why the reference surprised me.

JIC: But it's like saying... It's not... here's a negation of this, now this is the negation of that which negated the previous one. First, there's no expression of *asserting oneself* through negation. This is the negation of private property based

on one's own labor. Now this is the abolition of private property based on the gratuitous appropriation of the product of another's labor. What did it do? It brought about that change in the form of property. But what does it add? It doesn't reinstate private property; it reinstates an individual property that has the character of an immediately social property.

Fernando: Well, I'm not entirely convinced, but we'll restock it next time.

JIC: We have two meetings left, if I'm not mistaken, so let's use that one to discuss. I want to pose the question, as we've been looking at it, of what was happening with… I'll put it this way. Here, Marx talks about the discipline of the working population, the misery of the working population… The working population we left behind, strictly following Marx's analysis, is a working population whose condition as subjects of the labor process had been deteriorating: they had become relegated to the sidelines, etc. And so, it also appears as a leap forward that this population is now in a position to take the entire organization of the social life process into its own hands; not even in a social life process where social production is fragmented by private property and where unity is therefore established autonomously, but now unity is established as the starting point of that social production.

And so I wanted, first, to pause and consider this; second, to briefly examine a development Marx makes in the *Grundrisse,* where he begins to move in another direction, and then it's as if that development fades away, which contrasts sharply with the approach in *Capital,* and so one has to ask why, what role this change plays. And then, to look at what we observe regarding the transformation of the materiality of labor in relation to this movement. If what we observe regarding the development of the materiality of labor—let's put it this way, in somewhat impoverished terms—"closes" the gap left by this leap from completely deskilled workers to a surplus working-class mass, increasingly impoverished, because this is: at one pole the accumulation of wealth, at the other pole the accumulation of misery; that is the closure of the general law of capitalist accumulation. Well, how does this potential arise, and what forms would this full socialization of labor take? See you Wednesday.

[Summary of Chapter XXIV]

I'll summarize what we discussed up to where we left off last time. We finished Chapter XXIV with Marx's analysis of what primitive accumulation does beyond simply changing the way slaves and serfs were forced laborers due to their personal dependence. Now, the doubly free worker is a forced laborer for the total capital of society precisely because of this double freedom. Therefore, we'll examine what capital does with the labor of individuals who were already free once they are separated from their means of production.

Thus, the figure of these free individuals is the free peasant and the free artisan of feudal society; especially, it appears in the massive figure of the free peasants, who at the same time produce other use values by hand. And what does this imply? The fragmentation of land ownership, because the condition for being a free individual in the first sense of the word, and not in the second, is to have private ownership of one's own means of production, and since these independent producers of commodities can only carry out individual labor, their social labor has the character of purely individual labor; they cannot cooperate with each other, they cannot directly pool their labor power, and capital, by expropriating the means of production from them, leaving them without the possibility of producing commodities on their own, makes them doubly free, violently forcing them to sell their labor power.

And in this process, what will unfold is the possibility of cooperation, the development of science, the foundation for the development of scientific knowledge. This is what Marx summarizes by saying: to attempt to perpetuate this form of society (he quotes someone, if I remember correctly) is to decree general mediocrity. Well, then, this separation gives rise to the socialization of labor, within the private nature of work. And in the analysis that Marx will develop, it appears that on this basis, while social wealth develops on the scale characteristic of the capitalist mode of production, at the other pole, misery develops, and consequently, rebellion, workers' resistance, and the bonds of solidarity through collective labor…

And then, at a certain point, he reproduces what is in the prologue to A *Contribution to the Critique of Political Economy:* the relations of production clash with the development of the productive forces, the time has come for the expropriation of the expropriators, but this does not restore private property… Excuse me: that first expropriation, the capitalist one, is the transformation of private property based on one's own labor, into private property based on the gratuitous appropriation of the product of another's labor; what Marx is going to argue is: but now private property based on one's own individual labor is not restored, but rather it is individual property as immediately social property. And that this is a much easier process to carry out than the first… that this is the negation of the negation of private property, the absolute overcoming of private property, and that this is a much faster, much easier process, because before it was a matter of expropriating the masses of the people, and now it's the other way around: the masses of the people have to expropriate a few expropriators. And that's the end of Chapter XXIV.

I don't know if you want to raise any points from that analysis. To make it clearer, I would suggest this. If you want to raise any points from that analysis, as it stands, we can stop there. If we want to go beyond the analysis, what I propose is that we briefly review Chapter XXV and then return to the complete analysis, or revisit this analysis that Marx presents and subject it to critique. So, do you want to raise any points?

Fernando: Juan, I was left with the ending from last time, that phrase about the negation of the negation of... I don't quite remember how Marx phrased it there. Anyway, I think I understood the point, but since it was right at the end... we can take a second to see if it clarifies things a bit.

JIC: This is it: private property based on one's own labor is the affirmation of private property. The private property proper to capital is the negation of that private property. Directly social ownership of the means of production is the negation of capitalist private property, which in turn is the negation of private property based on one's own labor. He says: but it doesn't replace it; it's no longer an affirmation of private property, but rather it transcends private property. In that sense, it's positioned as the negation of the negation. I was reading some Hegel because of what we discussed in the workshop, and this is it, it's positioned like this: this is the negation of the negation, but capitalist private property is an affirmation in itself that unfolds until it negates itself, because the overcoming of the capitalist mode of production doesn't spring from the very movement of the capitalist mode of production. So, it is the capitalist mode of production that asserts itself by producing the working class with discipline and solidarity, with increasing misery and rebellion, with labor discipline, and it is not [337]something from the outside that changes it. All of that, the productive forces that are embodied in that movement, find their fullest expression in the overcoming of the capitalist mode of production; it is the affirmation of the capitalist mode of production that negates itself.

Alejandro [Chat]: Could it be that the dissolution of personal bonds of vassalage mutates into capitalist private property, or does it necessarily appear as a mediation in the figure of the free peasant and artisan?

My question, which I think I phrased poorly, is this: this is the same thing you were just talking about regarding the negation of the negation, and that, well, there's private property, the artisan, and the free peasant, and then with all the upheaval in the relations of production, with the expropriation of most of those who were formerly artisans and peasants, the enclosure of the land, and so on, capitalist private property emerges. Now, my question is whether this private property of the artisan and the peasant necessarily has to appear for capitalist private property to develop in its own way. I don't know if I'm explaining myself clearly. Because at one point, before the first part of the chapter, Marx clarifies that although he uses England as an example, there are nuances in each country, so to speak.

[337]I imagine that's what he meant.

JIC: Yes. Wait, I'm trying to remember what it's called… Because this has two aspects that I'm not sure are included in what you're saying. We looked at one of those issues last time. To what extent is the expropriation of the free peasant and the free artisan from feudal society a universal form of the development of primitive accumulation, or does it simply show the essence of primitive accumulation? Marx presents it as: this is the concrete historical process; after having looked at a whole series of issues where the displacement of serfs appeared, the processes of enclosure, their transformation into forced laborers through the figure of serfdom, the transhumant masses, the expulsion of peasants from the land, etc., but it is largely linked to feudal lords, and peasants who are not private landowners, because that is why the feudal lord can expel them.

So, to what extent does the concrete historical process reveal that, massively, let's put it this way, the "origin" of industrial capital—because this is the full development of the capitalist mode of production—is based on a mass of people who were peasants and artisans, private owners of their means of production? This is something worth discussing. I mentioned last time the work that Nicolás Grinberg was doing, which addresses the weight of these peasants in...

So, one can look at it from that perspective, if this is the concrete historical development—and there are discussions about the concrete historical development. There are historians who say that feudal society wasn't a society of massively free peasants and free artisans; there were some, but they weren't the entirety of that society. The majority were serfs and slaves (to put it in the most immediate terms), even looking at Europe. Now, I look at it, I've always looked at it: more than as a historical development, what's being raised there, for me, is what the key to primitive accumulation is; it's transforming a free producer who can only work individually into a free producer with the attributes of the labor of a free producer, who can cooperate. While what seems to have changed for the serf is merely the formal aspect of what constitutes a forced laborer, from the perspective of the free peasant and artisan—where the initial transformation of freedom is not present because they were already free—what we see is what the capitalist mode of production *actually* does: transform individual free labor into collective free labor within the limits (to put it simply) of private property, of the private nature of labor. But I'd like to get to that later.

I don't know if we discussed this last time or not; if we did and I'm going to repeat myself, let me know. If you look at the unit in Volume 1, the things that appear, and then continue looking at issues of historical development in Volume 3 in particular—the historical genesis of landed property, the historical genesis of interest-bearing capital, the historical genesis of merchant capital—references of this type reappear several times. For me… I mean: this image that, for Marx, this is concrete historical development, beyond the fact that this is the key, this is history itself, is present from the very beginning of Volume 1 with the simple commodity producer, who is actually that artisan or free peasant of feudal society. And when Marx says that the development of the forms of value is the development of the commodity form, he doesn't say "historical" there; he says: and in reality, the development of the commodity form is money; and the development of the money

form, which is the development of the commodity form, is the development of capital. And the development of capital is, when you look at the production of absolute surplus value… This is what I raised the other day.

What emerges is this: the original worker in the accumulation of capital is an independent commodity producer. The figure he takes there has the attributes of a commodity producer, and he will describe the labor process as the labor process that is a commodity producer. And he will make the transition to the valorization process by saying: well, the only difference up to this point is that this work is done under the control of the capitalist. And so, what emerges is that if up to this point the direct producer had full control over his individual labor, he no longer does: he shares it with… I mean: there is a collective, the capitalist and the worker constitute a collective, an asymmetrical collective, where one has the function of organizing the work and the other has the function of executing the immediate work. And there is (I was looking for it the other day but couldn't find it, I'd have to look for it again) that paragraph where Marx literally says that commodity production is the historical origin of the capitalist mode of production. […] So, if Marx didn't see it that way, these categorical assertions that this is actually nonsense from Engels and that Marx never said it… Marx says it verbatim in one of his drafts. So, I come back to one thing.

If I look at this, I say: whether this was the actual historical development or not, if for Marx this was a question, for me it isn't. What matters to me is… I found it, so to speak, striking the first time I read this and recognized this approach. To say: but this is the transformation of form, what matters is the transformation of content, this is what shows me the historical role of the capitalist mode of production. So, whether this has been the actual historical development or not, from my point of view (but this is a personal opinion, generally invalid) it didn't answer anything for me; what it did answer was: here lies the key, the crux of the matter.

Okay, so this. I don't know, Alejandro, if your contribution has another component, which is the question Marx poses—and which he seems to have found very difficult to answer—when Vera Zasulich asks him whether the Russian commune can transition to a society based on the collective ownership of the means of production, whether it can make that transition without going through the capitalist mode of production. And Marx writes several drafts; I don't know if there was a final letter or not, I don't remember. One can presume (this is pure speculation) that he found it quite difficult to give her an answer that was… Zasulich was part of… I don't know if it was already Russian populism… about whether a society could immediately emerge from that commune… without going through the capitalist mode of production. We have to remember that, at the time he wrote this question, the emancipation of the serfs in Russia was in the 1860s, so it was a different story… In Europe, in general, serfdom had been abolished much earlier; here it's a relatively recent development. But this also refers to the commune, which is not a community of serfs, but rather a community of agrarian property, owned by the direct producers. I believe this reflects the current understanding that overcoming the capitalist mode of production can come from the emergence of other forms of organizing social production.

So, I don't know if that was the issue at stake. I don't quite remember Marx's answer. The drafts show an attempt to encourage, rather than a fully substantiated development; it seems more like a very abstract statement about the possibility. I don't know, Alejandro, if this is sufficient, if there was anything else anyone wanted to bring up… If not, let's move on to the last chapter.

Chapter XXV. The modern theory of colonization.

The last chapter is the modern theory of colonization. And what appears there? The chapter on primitive accumulation explains how the capitalist mode of production arises from private property based on one's own labor. And colonization, which is the development of agricultural colonies—it's not the Spanish conquest of Latin America, it's not that colonization process—refers to the formation of these agricultural colonies based on individual private ownership of the means of production. Marx will examine this particularly in relation to the United States, and there is a whole development of theoretical arguments justifying this new form of social organization that "overcomes" the miseries of the capitalist mode of production, because now the direct producer is simply a free individual.

And what Marx will argue throughout the chapter is this: contrary to the appearance that if individual free labor gave rise to the capitalist mode of production, now the capitalist mode of production is giving rise to individual free labor. And this occupation of territory is largely in the northern United States; it's not the process in the southern United States, where... When we made the leap from that accelerated process, looking for the first time at primitive accumulation, I referred to this process of private ownership of land based on one's own labor. It's important to remember that in the 19th century, these forms still appear, like "races," where whoever gets to a certain plot of land becomes the private owner and starts producing it on their own.

And what Marx is going to argue is that what's missing there is the movement of capital, that this is the starting point, and that the very march of capital accumulation in those territories will end up sweeping away private property based on labor itself. That this private property based on labor has served to occupy the territory, to deploy the market organization of production, to exterminate societies where an organization based on direct relationships between people prevailed; and that, as soon as this form of the colonization process begins to clash and becomes an obstacle to capital accumulation, which is being incorporated as directly productive capital in the very territory where the colonies operate, accumulation follows the course he had described as the process of primitive accumulation, where direct regulation—because he is going to mention the role of the state—puts a brake on this expansion of private property based on labor itself, and it does so violently: there are processes of expropriation by capital of the direct producers. And so, it is not that the global development process of capital accumulation can give rise to this form of production based on private ownership of the means of production.

Basically, that's the content, which had significant historical relevance in the mid-19th century, because this whole discussion was taking place. You have to remember that the demands of classical anarchism are linked to this type of argument: that overcoming the capitalist mode of production means restoring private property based on one's own labor, and in the most classic version, it's based on individual labor. Later, when anarcho-syndicalism emerged, it appeared as collective labor, which is the private property of the workers in each production

unit. But I think that today, even the proposals that advocate for this private property based on one's own labor, forms of collective ownership based on direct personal ties, and so on, don't see themselves, nor are they theoretically framed, as the capitalist mode of production giving rise to this mode of organization. Rather, they are seen as the absolute negation of the capitalist mode of production. Well, with that, I consider my exposition of Chapter XXV complete, unless you want to look at something specific.

Alejandro: Juan, just a quick point, I don't want to cut too much short. Simply put, that form of private property based on one's own labor, especially in the case of the United States, is still quite idealized, isn't it?

JIC: It serves a whole ideological purpose. It's specific to certain areas of the United States: in the South and on the West Coast, it doesn't exist. Private land ownership, moreover, takes the form of properly capitalist land ownership, the figure of the landowner who can be a capitalist at the same time, but who doesn't own the land he works; he's a landowner. It's all intertwined with the development of slavery and the conflict in the Civil War regarding whether the western states would have slaves or not. Where the occupation of the territory begins in the East and Central US, where the quintessential agricultural region is located, there's an enormous fragmentation of land ownership. The rural property units are… I have it written there in the book on land rent, but they're much smaller than in Argentina. And there's a relatively slow process of centralization of that ownership underway. But it's all those people called *rednecks,* the "red-collar" types, who are the base of the Republican Party and the most reactionary elements you can find in the United States; they come from that history: they're the rural petty bourgeoisie who embody all those things Marx describes, like what happens in a society where property is based on one's own labor, is highly fragmented, and cooperation is impossible; they are reactionary individuals, extremely violently so. Well, I've lost track of what I was trying to say to you, Alejandro, but…

Alejandro: No, but for example, in proposals, I understand, according to, for example, I was reading Ferrer, who is quite well known, who gives the example of the *farmers* in the United States, and contrasts it with Argentina, it is proposed that we have to try to do something similar to what the US did with the *farmers* to decentralize the land and, ultimately, it's like there is that idealized vision, even with respect to what political action is here in Argentina.

JIC: Yes. There's something else at play in that process that isn't what we're looking at here, which is the appropriation of land rent. But what happens in Argentina is that there's a very strong centralization of capital in this area, specifically in traditional agricultural production, grain production. There's a very strong centralization of capital without a centralization of land ownership. The fragmentation of land ownership—in the part that is fragmented, because it's not entirely fragmented—is overcome by the centralization of agricultural capital. But ownership remains... even in Argentina there's a growing process of fragmentation of agricultural property in that area.

That's why the American WASP, the White Anglo-Saxon Protestant, comes from that image, and… you're going to make me fall into the vulgarity of invoking "Little House on the [338]Prairie," which everyone knows what it is, at least in Argentina, and also that it's another generation [Laughter], but it comes up. And "Little House on the Prairie" expresses what Marx says about what happens when capital develops in the territories of the colonies, because at a certain point in the development of history, the Ingalls family has to move, because the land they are occupying is claimed by a landowner who has centralized land ownership, who has general ownership of the land, and they are displaced and expelled westward. So one can take it as an example of the critique of the modern theory of colonization. Having said that, let's move on to things with more substance.

What I wanted to raise with you are these issues. If you look at Marx's development of this theory, you find a leap forward in the emergence of the working class as the agent that transcends the capitalist mode of production. Because the working class that appears throughout Marx's work up to this point consists of workers transformed into appendages of the machinery, who barely have any educational process as a consequence, and the educational process that is described is absolutely rudimentary. There is a surplus population living in ever-increasing poverty, and we have seen that capital not only deprives them of the ability to work, but directly deprives them of the capacity to work altogether, and this is described in Marx's work. The organization of production up to this point is in the hands of the capitalists. Science emerges, and Marx makes it clear that science is not a product of… Someone has to embody the development of science; science doesn't develop abstractly. What he's arguing is that capitalists are not the embodiment of scientific development, but workers are never mentioned as developers of science. The only reference to scientific knowledge on the part of workers is when he talks about maintenance workers, saying they have a mixture of scientific knowledge and manual, artisanal skill. So, how is it that a working class, which has been described with all these characteristics, suddenly appears simply because it has the discipline of collective work, and because science has developed—which is not an attribute of the working class— how does one move to an organization of social labor in which these free individuals have appeared, free because they recognize themselves as individual organs of the social life process?

And I'll elaborate on this. There's a whole range of different political arguments regarding who can overcome this gap. Lenin's argument appears—I think it's from around 1905—that the allies of the working class aren't the petty bourgeoisie, but rather the big capitalists, that the working class has to make use of the big capitalists because they're the ones who know how to organize collective labor. Arguments have also emerged suggesting that in socialism all social relations will be clear, so one doesn't need much explanation to understand how things work; and this is the most utter vulgarity regarding the need for scientific consciousness. This kind of explanation doesn't appear in Volume 1 of *Capital.*

Let me clarify. Later, in Volume 3, there are some references to the fact that the capitalist can delegate the management of capital to a wage earner—it doesn't

[338]The series is known as "La casa de la pradera" in Spain.

specify that this person is a member of the working class or anything like that, just a wage earner—that the workers in the transportation sector have *some* training, that they know languages, that they have accounting skills… But there are no further references beyond that. This, for me, contrasts sharply with a development that Marx makes in a draft that predates the first edition of Volume 1 by almost ten years, which is known as the *Grundrisse,* a title given to it, to make it more complete, as Grundrisse: *Foundations of the Critique of Political Economy. (draft),* where he begins to outline the development of the capitalist mode of production, and among the things that show the very early stage of Marx's work, he addresses the question of the commodity not immediately, as it appears later, but rather by discussing the banking laws proposed by a follower or someone in the Proudhonian tradition, who suggests replacing money with securities or bonds of labor time. It is from this point, from beginning to criticize this, that the determinations of the value of commodities begin to emerge in the development, but they emerge especially (this happened to me before, when I was going to read something that I thought would answer the question I had… Anyway, I read this because it was required reading for a university course, where he gets to the point of the commodity as a social relation). Well, I mean, he starts with this, and when he finishes that draft, he has a note that says… It's not exactly going back to the beginning, it's debatable, but it's about the commodity and the unfolding of the commodity (it's 1-2 pages with which he closes that draft).

Well, in that draft it progresses, issues of fixed capital and circulating capital appear, the term “labor power” doesn't appear yet, it's simply referred to as “ labor”… But it progresses, and it arrives at the formation of the general rate of profit, and in that development it examines what happens to the organic composition of capital (which we saw in Volume 1). And it posits how the development of the production of relative surplus value transforms the materiality of labor—it's not clear whether it's workers' labor or not, for a reason I'll explain now—transforming manual labor into intellectual labor. And there's the famous expression of the development of the *general intellect.* I'll mention this because by the time we get to Volume 3, it will have fallen far behind, but at a certain point, while discussing other matters, this observation appears. It says: we must distinguish between collective labor and general labor; And he will define general work by saying (the draft was also written before Volume 1 was published): general work is all discovery, all invention, it is scientific work. And then he will elaborate further.

When one looks at "general labor," in something that may be evoking references to the complexity of development as described by Hegel, rather than the term "general"—and sometimes Marx uses the term in the sense of "universal," something that everyone shares—but the term "general" is associated with, linked to, "generic." And then, one can ask oneself, as we already observed in Volume 1, when we looked at the development of machinery, which changes the materiality of labor because it is necessary to develop the capacity to control natural forces, to scientifically organize the production process, the social character of labor within the condition of private labor. And we saw that this transformation, in what I believe are 156 years since the publication of the first volume of *Capital,* this

development, the subject of the development of scientific knowledge, is the working class, but it is not present.

I go back one thing and then do another... What is Marx proposing there (which is also in the chapter on the increase of the organic composition of capital)? This is what leads to the overcoming of the capitalist mode of production: increasingly, a smaller portion of living labor sets in motion an enormously large social power that is materialized in dead labor, in constant capital; increasingly, there is more machinery, and increasingly, the function of living labor is to organize the automatic movement of the social production process. That's where the concept of the *general intellect comes in.*

I would add this: when we first examined the historical development of human labor, we said: initially, it is distinguished from animal productive activity only by the degree to which it is capable of transforming the environment; and the development of that degree leads to ever greater complexity, etc., and animal knowledge, which is transformed into human knowledge throughout this process, is no longer sufficient to govern the process of social production and consumption: what is needed is knowledge that is aware of itself as knowledge, conscious knowledge. And when we considered this, we said: from that point on, human labor differs from all animal productive activity, not simply by the scale at which it transforms the environment into a means for itself, but by the way in which it governs that transformation. And then, it is no longer an animal species; it is not distinguished as a species from animals by a purely quantitative matter: it is distinguished by the way in which it organizes its life process.

Up to this point, human labor differs from animal production in its organization, as it is organized as a conscious and voluntary activity. However, materially, manual labor retains the same form as animal production. The way it is organized changes, but its execution remains the same: the tool is in the producer's hands, and the producer applies that tool to the object of labor and transforms it. But when machinery appears, Marx argues that the worker is now relegated to the sidelines of the production flow. What remains for human labor, especially as machinery becomes more automated, is the organization of that process, the development of control over nature so that nature carries out the immediate labor process. And if we consider Marx's reference to scientific labor as general, generic human labor, human labor now differs from any form of animal production not only in its organization but also in its execution: the human subject does not intervene in the execution. And when we saw the development of machinery (and this is in the *Grundrisse)*, what we found was the expulsion of the workers from the production process and the generation of the mass of surplus working population.

So, there it appears, or one can recognize, a historical development of the capitalist mode of production that is absent in *Capital*—excuse me, absent from the overcoming of the capitalist mode of production. On the contrary: the entire development of those conditions that appears linked to the movement of the capitalist mode of production is what opens the door to the chapter of primitive accumulation, because: up to this point, the reproduction of capital tells us nothing

more, because it reproduces itself indefinitely; capital generates surplus value, surplus value generates capital, and this is a movement that seems to have no end. To see if it has an end, we have to go back to the starting point where this was not the case. On the other hand, when one looks at the development that is in the *Grundrisse* … It is not fully developed, but what one can see is that it is moving in the direction of: it is the transformation of the materiality of labor, of this whole process that is occurring of the increasing socialization of private labor, which also what came from the development of machinery, from the automation of machinery, from human labor, is the exercise of scientific thought, therefore, objective of the human being… Well, this is the form, the course that the overcoming of the capitalist mode of production follows.

But when he gets to that point in development, Marx makes this observation. He says: with this multiplication of social wealth, the working-class population grows, but the general population also has to grow because scientific development is necessary; thus, it again seems that the working-class population is not the bearer of scientific development. But it does appear that what is at stake here is the transformation of the materiality of labor. Well, I don't know if the summary is more or less clear.

I'd like to make a minor clarification: Later, the notion arose that when Marx speaks of the *general intellect* (because the draft is in English, so it's become known to everyone as "general intellect "), the *general intellect is* actually, among other things, the work of advertising, and the alignment of production with the consumer through, among other things, advertising and the manipulation of consumer behavior. Now, that's not what Marx calls "general intellect." *General intellect* is scientific work, objective knowledge, not the emotional aspect of the production process, the good relations between the personnel office and the workers. That involves scientific knowledge, but it's not the development of *general intellect* as such, at least from my perspective. In the new version of *Knowing Capital Today: Critically Using* Capital, I added a chapter discussing this with respect to *general intellect.*

Okay, first, if you want to raise something about what I've just explained, isn't there anything to question or ask? Then I'll continue with one more thing…

Edgardo: Juan, one thing. I don't know how important it is, but why do you think Marx didn't see the working class as a subject of science?

JIC: Well, that's what I was getting at, so this is the intervention that corresponds to what followed. Again, why doesn't Marx, having that development, focus on it to establish the historical character of the capitalist mode of production? It's something only Marx could have answered. All one can say, looking at the determinants one can recognize in that development, is what role it might have played in this. But even many of those determinants aren't absolute given the contrast between the two approaches.

One of the key points is that he doesn't address… He always says, “Capital appropriates other people's science,” but who are the “other people” if not the

workers? One can speculate that the historical moment in which Marx was developing his ideas, and also seeing that Marx sometimes refers to historical forms that may be contemporary, but that may also be somewhat earlier, and that he presents them more immediately, and if one looks at who they were—Marx, Engels, Lassalle even more so (he came from the nobility)—but neither Marx nor Engels *came* from the working class: they were products, they had an education as products of the petty bourgeoisie. Engels was the son of a textile capitalist, perhaps a bit more powerful. Marx was the son of a lawyer, a mix with civil servant. Marx's wife came from what appears to be the "lower nobility," but that could also be some title granted without land ownership, but simply because she had " Von " in her surname. I don't know where Proudhon came from. But I suppose that for many of these, it was very difficult for a classic worker, even from the large industry of his time, to have attended university.

This is what I mentioned before we began: around 1820, the English population had, on average, two years of schooling. And I think that much of that schooling, firstly, must have been highly unevenly distributed within the population, but also, in the case of factory workers, it was likely an education provided within the factory itself. And so, it may have been very difficult to recognize that this work required someone not to come from the working class, and it was prevalent that scientists did not come from the working class or did not see themselves as working class. Adam Smith was a wage earner; Ricardo was not a wage earner, he was a successful capitalist in speculation, and after speculating, he retired and dedicated himself to political action on behalf of the English bourgeoisie. When you look at other, much earlier figures, figures who were figures of scientific development, like Leibniz… Hegel was a purveyor of labor power; he had been a tutor to a young aristocrat until he managed to get a university position, but I suppose they didn't see themselves as members of the working class. And if you project this onto the historical narrative, what emerges from this?

Lenin's argument emerges that the working class can only develop a trade union consciousness, so the more enlightened elements, basically from the petty bourgeoisie or the bourgeoisie, must bring revolutionary consciousness to the working class. And this was written 30 or 40 years after Marx's development of this idea. And today—I always frame it in these terms—many political activists in parties that see themselves as representing the interests of the working class do not consider themselves members of the working class. There was a historical stage within Trotskyism where the prevailing view was that, since individuals who are not from the working class are joining the party, one must become proletarianized and go to the factories, because that's where the working class is; one must bring revolutionary consciousness to the factory workers. And in something that causes irritation in the courses, in Argentina, the left -wing front is called the "Left and Workers' Front," as if the left were not the workers; with which, even today, individuals who do intellectual work do not recognize themselves as members of the working class.

So, whether or not this played a role, only Marx could have answered that. Other motives, one says, to encourage the revolutionary movement, and then they put forward this idea that the time has come, and this is a much easier process, that

this is expropriating the expropriators, etc., is also rather strange, because with all the previous development, to then summarize the end of the work like that… That in the *Grundrisse,* the development of machinery is linked to the movement of the rate of profit, that in Volume 1 the rate of profit doesn't appear, and so he considered that he was forcing the development if he put this here earlier because he was seeing it as linked to the movement of the rate of profit, and because he was seeing it as this… But it is stated in Volume 1 when he talks about the organic composition of capital, that there is increasingly less living labor in relation to dead labor, so it is there. So I don't have an answer. The first answer sounds reasonable to me, but I can't explain it any more clearly than that.

It may have come from those who looked at themselves and possessed a scientific consciousness, a revolutionary consciousness, and it's clear they weren't members of the working class. Moreover, Marx confesses his failure to sell his labor power because of his poor handwriting; he had applied for a job somewhere and was rejected because of his bad handwriting. And when he works as a journalist, he acts as a journalist who also comes across as a kind of salesman.

Alejandro: In a railway company, or a shipping company?

JIC: I don't remember exactly what place it was where it was presented. I don't know if it was some kind of administration office, I don't know if it was customs or something like that, but I really don't remember.

Edgardo: I think it was a train station, wasn't it?

JIC: What Alejandro is asking is if it was a railway company; it may have been a train station.

Well, there are a number of circumstantial things in Marx's life that show how he viewed himself. But at the same time, when one says: but he wrote this other thing, and he was able to see the unity of it all, why, having that clarity, that ability to see ahead, why didn't he incorporate it (especially since he had already written something outlining this issue)? And considering that he published a second edition in which he changed Chapter I a lot, […] he didn't make a substantial change to include what he had developed. He made some revisions in the section on concentration and centralization, so he came to see it at the point where he had already developed everything about the organic composition of capital, but oh well.

My argument that we have an advantage over Marx in understanding this rests on two points. One is that we have Marx's work already done, so we have a process of social recognition, without having to produce original knowledge from a social perspective. The second point is that if we look at ourselves, we are all sellers of labor power, and we see that science has developed, and science has been developed by sellers of labor power. So, even though these sellers of labor power don't generally recognize themselves as members of the working class, the possibility of recognizing themselves in that condition and as bearers of scientific knowledge is immediate.

So, my proposal for next time is: let's revisit all the development we've been doing in Volume 1, pointing in this direction. Now that we have the full picture, the historical character of the capitalist mode of production, let's see what the capitalist mode of production does in the process of historical development and what contradictions that process reveals. In Marx, the contradiction between the social character of labor and the private appropriation of the product of labor appears; I want to propose another aspect of that contradiction in this unfolding. Let's look at that, and I don't want to forget—and I risk forgetting—to revisit Marx's development and see how the unity of the process of knowledge development that Marx unfolds emerges. How this appears stated very early on, but only stated, and how all this development is the unfolding of what was stated. Remind me if I fail to mention it. And afterwards, hopefully we'll have time to do something like an evaluation of what we've accomplished so far (I doubt it, but oh well). We're only here until 9:36 PM in Argentina today. See you next Wednesday.

[Discussion and synthesis of the content of Marx's development: historical reason, revolutionary subject and consciousness] [I]

JIC: Any questions you'd like to raise regarding what we discussed last time?

Javiera: What was the outcome? I only saw half of the video from the last class.

JIC: We had just finished following the development that Marx makes, not the last one, but the one before that. Last time we were looking at the hint of contrast with the approach that appears in the *Grundrisse,* and that was the central point, I think, I don't know if there was anything else. Because there, too, the transformation in the materiality of labor appeared, but at the same time it didn't appear as an immediate attribute of the working class, but of the "population," the development of scientific knowledge; but well, that was the central point.

Javiera: And chapter XXV?

JIC: And Chapter XXV very briefly, because of its historical significance at the time Marx was developing Capital and the contrast with today, where they appear… Actually, we could have focused on approaches like “market socialism,” which isn't related to the modern theory of colonization, but which are… Nor does it have the same character as the theory of colonization, because it was the illusion that, just as the simple production of commodities engenders the capitalist mode of production, now the capitalist mode of production engenders the simple production of commodities. And in reality, market socialism no longer has that character of simple, private, and independent producers; rather, it has the character of simple commodity production but in collective labor processes. But well, I don't know if you want to talk about that. I would go on to this proposal of developing how I see the historical character of the capitalist mode of production and its overcoming. And how one can recognize this in all of Marx's work, plus a part of the development that goes beyond what Marx does, but which arises from that unfolding.

If we start with that, then, there are two moments in that development. Sometimes I focus on one in particular, sometimes I consider both; I'm going to risk considering both in this sense. When one looks at the productive forces of human labor—what we saw at the beginning—these productive forces have both an individual and a social character. They are a product of social labor, they are carried individually in the subjectivity of the working individual, but at the same time, the social character of labor is manifested in the form of work that is carried out socially due to its collective nature. So, for me, when one looks at the historical development of humankind, one can recognize in the different modes of production that unfold, not necessarily in historical order, because in some places they have different forms and the sequence is not intended to be a strictly historical sequence, but rather by what they show regarding the development of the productive forces of the working individual, that is, of individual labor and social labor insofar as it is not done by an isolated individual, but rather by a collective worker. They arise from the immediate collective nature of work, and from the organization of work.

So, if we look at it and start with primitive communities, the productive forces of the individual and those of their condition as an individual organ of the community, one can say that they go hand in hand. These productive forces are so limited that the individual in their labor process cannot be separated from the collective unit from which they are formed—the community—and this is the longest phase in human history. The unity between the individual and social character of labor and consumption is realized in the form of the bonds of personal dependence inherent in the community. And there is a very long process, because one can consider that it lasts between 2 and 3 million years, during which the productive forces of individual labor are transformed, and at the same time, those of social labor, as a particular collective process, and the power that society has in its unity to advance in that development.

There are a whole series of transformations: transformations in humankind's capacity to act upon the environment, substantial transformations in the human organism itself, and one can identify a point—relevant to our discussion—of transformation in the concrete forms of labor, and consequently in the development of productive forces. This transformation, roughly 15,000 years ago, was the development of agriculture, which involved, instead of hunting and gathering, controlling the biological cycle of plants, which in turn allowed for the control of the biological cycle of animals. This resulted in a very strong expansion of the human population based on these capabilities. Furthermore, this period corresponds to the occupation by humans of the entire Earth's surface where life could be sustained. In some cases, hunting and gathering continued, but what characterized the process was the development of agriculture. This expansion of the human population extended its reach into territories where agriculture could only be practiced with irrigation, and on a large scale at that.

Even primitive communities were undergoing substantial transformations, but in order to cultivate these lands, it was necessary to develop the capacity to control the natural flow of water. This required a capacity possessed by certain individuals within society that surpassed any previous level of development. Consequently, a new way of organizing production, and therefore consumption, emerged, giving rise to what are known as the great empires of antiquity. Where there is an enormous development of the productive forces of labor on the basis of a division of labor that involves a mutilation of individual productive forces, because the direct process of production is left in the hands of the mass of the peasant population who no longer have the attribute of governing the general organization of the social life process—their consciousness and their will can only govern that immediate process of individual labor—and another part of society who no longer participate in the immediate process of labor, but are in charge of the general organization of that process.

And this, in a society of estates, of castes, takes the form of the peasant caste, who are the ones who will put their labor power into operation with enormous power due to the collective nature of their work; the priest caste or estate, who are in charge of the organization, the development of the capacity to govern irrigation, to set in motion that mass of collective labor power in a coordinated manner, etc.;

and the emergence of the military estate, which exerts coercion over the mutilation of the productive attributes—particularly of the peasant estate—through the direct exercise of violence; all this based on relations of personal dependence. And when one looks at those empires, one sees an enormous development of the productive forces of collective labor, of social labor, at the expense of the mutilation of individual productive forces, where the individual peasant no longer has the capacity to organize his own work process, but participates, is an individual organ in the implementation of a collective labor force that has a highly developed productive power. And one of the manifestations of that productive force of collective labor is that one of the things that will characterize these empires is the great monumental constructions that strongly reflect the structure of the organization of social labor.

So, we have this mode of production where the productive forces of collective labor are sustained by the development of those productive forces, and the power of those productive forces is sustained by the mutilation of the productive forces of each individual. When one looks at what happens with production processes based on irrigation, but where irrigation is no longer carried out on a large scale because the valleys are limited, what emerges is that, while in the empires of antiquity the organization of labor was characteristic of a social class, which was extensive and distributed within that class, in these places the organization of labor, the control of irrigation, and so on, has a much more strongly individual character, and at the same time, direct labor is done by slaves. And this is what appears as the classic forms of the slave mode of production in Greece and Rome, where such extensive masses of collective labor are no longer put into operation, but at the same time, the capacity to be bearers of the fullest individual potential for the organization of social labor is established as an attribute of the members of a segment of society. And indeed, the development of this mode of production ends up defeating the empires of antiquity, but it is based on the mutilation of the productive attributes of the direct producers—they cannot participate in the organization of their own social labor nor can they put those same masses into operation; the scale of operation of collective labor is smaller.

[…] And here we must look at the specific case of Europe, because that is where this transformation will take place, where it will emerge as the most potent characteristic, and this modality will spread until the centralization of the organization of social labor can no longer be sustained. Given the scale it reaches, it exceeds the potential of this centralized organization; and what will appear, particularly in places where agriculture is not irrigated, where there is dryland farming, or where there is very little irrigation, is a new mode of production, which I referred to in what Marx develops in Volume 3, which is the feudal mode of production, with the transition from tribute in labor, to tribute in kind, to tribute in money. What we find here, compared particularly to the empires of Antiquity, but even compared to classical slavery, is that there is no longer the capacity to implement massive collective labor: now the organization of that collective labor is much more limited. But the direct producer begins to regain the ability to organize, first, his simply individual work with the tribute in work.

What I was raising regarding the problem of the serf is how he organizes his work within the time he has to produce his labor power to be able to work on the lord's lands. When we look at tribute in kind, what emerges is that now all the direct organization of labor, except for defining what will be produced and how much will be produced, came to be managed by the direct producer. And when we look at tribute in money, what we find is that now even the definition of what will be produced is an attribute of the direct producer. And so, when one looks at the feudal mode of production in contrast to the classic slave mode of production, what one finds is that there is a process of recovery by the direct producer of the capacity to organize his social labor at the expense of the productive forces that are inherent to collective labor, to social labor as collective labor.

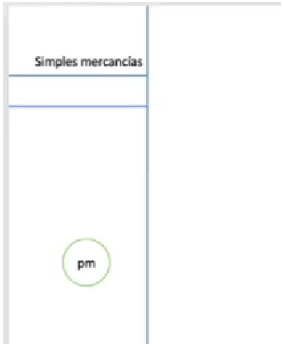
Returning to the point, the contrast one can find here encompasses several aspects: the grand works characteristic of the empires of Antiquity are no longer possible, nor is the road system of the Roman Empire; the power of that collective labor is lost. Another aspect that will characterize this transformation in how work is organized is that the development of what appears as scientific knowledge no longer plays a central role, even though in both classical Greece and Rome it is intertwined with the production of religious consciousness. At the same time, it emerges as the development of scientific knowledge. The fragmentation of the production process into units that initiate individual or limited collective work will manifest itself in the fact that this scientific knowledge is no longer necessary. What will characterize feudal society is that, at most, existing scientific knowledge is preserved—when it is not directly lost—because it plays no role in this movement. Conversely, cohesion in the form of religious consciousness becomes central to the bond of personal dependence.

When one examines Marx's development in the chapter on primitive accumulation and reaches the point where he explains what the capitalist mode of production does, before even asking this question, he states: if one considers what happens to the slave, what happens to the serf, it seems that what has changed is the way in which the direct producer, the worker, is a forced laborer. He was a forced laborer due to his personal dependence; now he is a forced laborer because he is doubly free. And that, for me, is where he raises the crux of the matter, when he asks what primitive accumulation tends toward. When it tends beyond this, what it tends toward is what it does to the individual who was already free in feudal society: the free peasant and the free artisan. I made the caveat that these individuals are still bound by ties of personal dependence, because in the production of simple commodities, the regulation of the unity between social production and consumption needs to be governed directly, not simply through the exchange of commodities. But anyway, if you take it, what emerges is the same subject we had when we started with the first chapter of Volume 1: the simple commodity producer, who has full control over his individual labor, has no control whatsoever over the social character of his labor insofar as he doesn't know whether what he is doing is socially useful or not. Furthermore, he cannot work collectively; having no control over the social character of his labor also means that he cannot perform directly social labor in the sense of collective work. And so, it is the full expression of individual productive forces, and at the same time, the complete mutilation of collective productive forces. And what is Marx going to

develop, and what is the basis of this? It is private ownership of the means of production. Otherwise, one cannot have full control over individual labor.

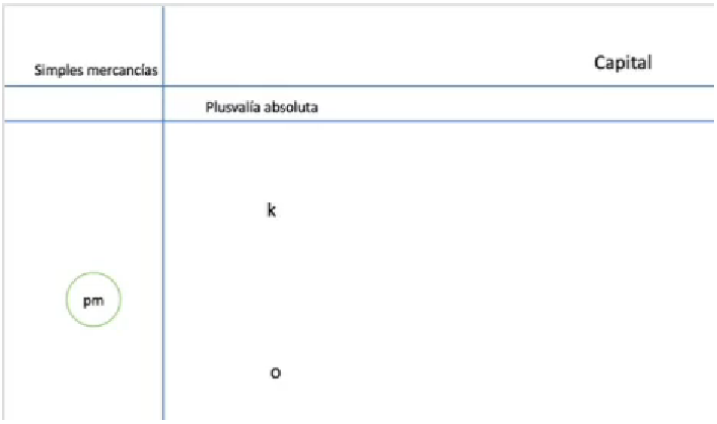
So, what is the content of this development, so to speak, in Volume 1? Last time we also discussed whether Marx presents it as a historical development or simply as the unfolding of what lies before him, starting from this simplest form of social relation in the capitalist mode of production, which is the commodity. But it doesn't matter how you look at it... And what we were saying is that Marx appears to view it as a historical process, even though he doesn't discover any determining factors, except for what appears in Chapter II, specific to the capitalist mode of production. And in Chapter II, what appears is that this, in the capitalist mode of production, was already resolved by the origin of the commodity, not as a product of abstract, socially necessary labor done privately and independently, but as the product of a circumstantial change. What will appear in the unfolding of Volume 1 is the process of the socialization of private labor.

And the process of socializing private labor (I mention this to begin with, and later we'll see in what specific forms) is the process of converting the productive forces of individual free labor into the productive forces of collective free labor. The condition for this transformation, which is what Marx outlines in the chapter on primitive accumulation, is the dissolution of private ownership of the means of production, the transformation of the commodity producer—who was the absolute expression of social labor done privately—the separation from their means of production in such a way as to turn them into a doubly free individual, who possesses the productive attributes of the free individual, but who can no longer work fully as a free individual. So, I'm going to illustrate this with a diagram that I've been using throughout Volume 1 [...].

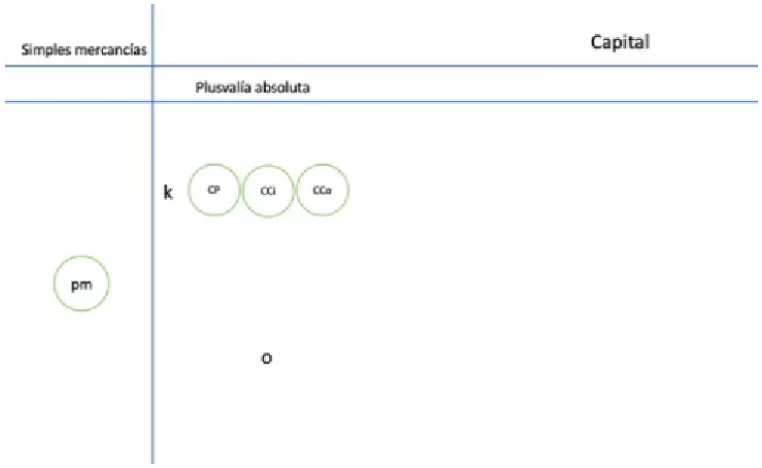


Well, this subject we start from here, from Chapter I to Chapter III, is the producer of commodities: full control over individual labor, no control over the social character of labor, impossibility of cooperating based on private ownership of the means of production.

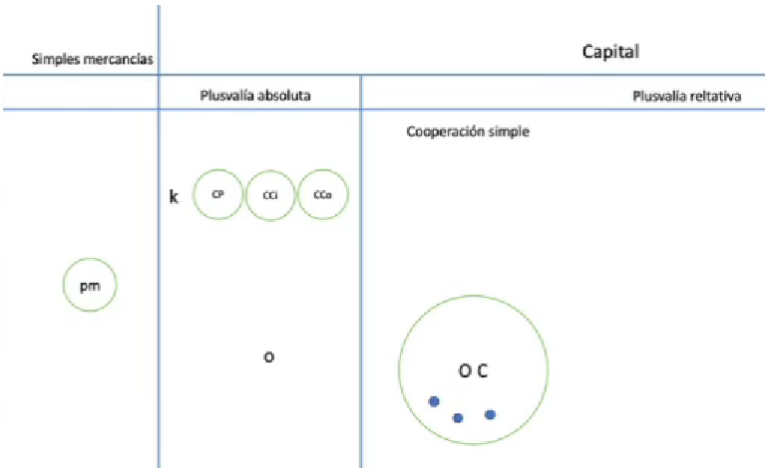
When we move from the first section to the second, to that of absolute surplus value, and then begin to look at capital, what we find is the fragmentation of the attributes of the commodity producer between the worker and the capitalist:



Marx initially views the worker with the attributes inherent in being a commodity producer, but who has been transformed into a doubly free individual. These are two free individuals who, within the unit of production, have the function of organizing the production process, while the function of directly carrying it out. The direct producer no longer has full control over their individual labor, but at the same time retains the control inherent to a free individual regarding the execution of that labor. The capitalist has, let's call it, "general" control over the worker's labor; they organize the work, but no longer have the power to execute it. Thus, what we see here is that within the private unit of production, a social labor process has emerged, where there is one individual who organizes it and another who executes it, but they do not have a direct personal connection. Rather, they are two free individuals who set in motion the productive forces of this free labor. There is a first step in socialization within private work and at the same time there is a mutilation of individual productive forces, because the worker no longer directs production and the capitalist no longer knows how to do production.

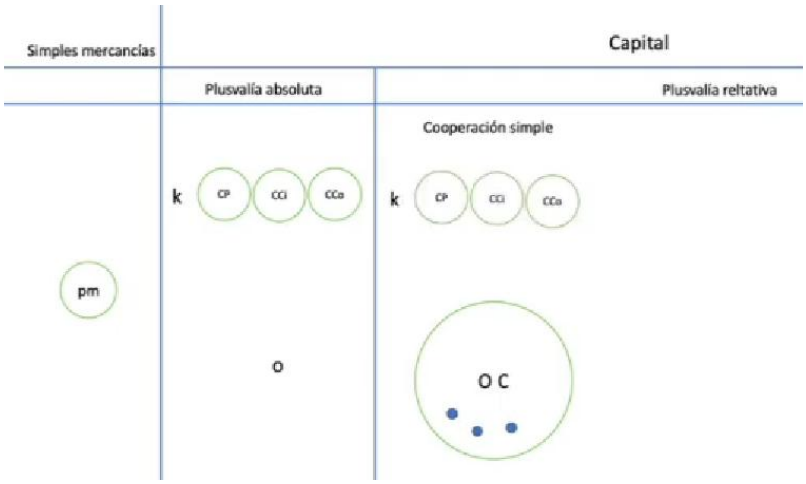


Well, we viewed the capitalist in terms of productive consciousness, the consciousness or personification of capital in circulation and the exercise of coercion. But I'm setting that aside; we simply had these attributes.

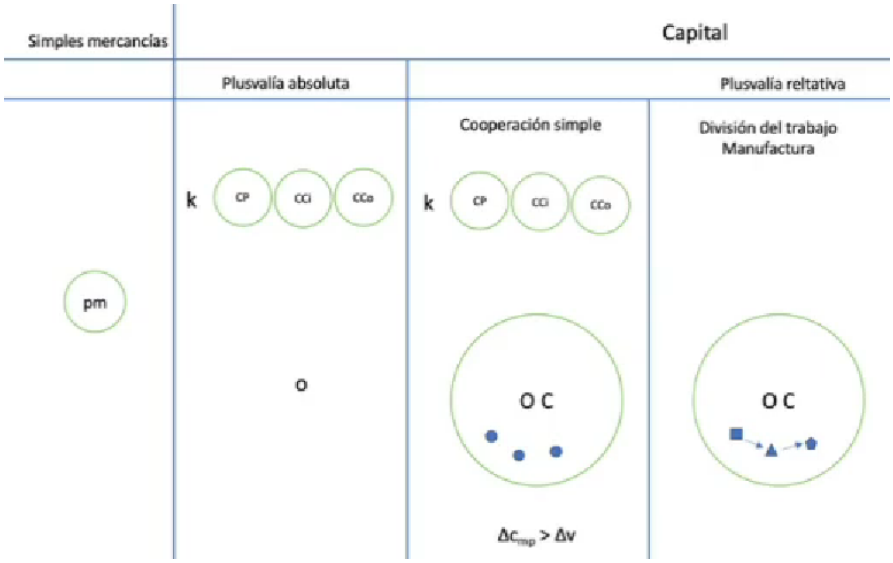


When we move on to the next section, which is that of relative surplus value, up to this point we had been looking at the worker, classes appeared, but within the production process, a socialization of the worker's labor did not appear as a specific issue. [...] What did we observe? Simple cooperation, where now, within the production process, a collective worker was beginning to emerge. Marx still doesn't call it a "collective worker" because each individual is still performing simply individual work in simple cooperation; they all do the same thing, but each of them produces a whole commodity. And yet, here, labor forces arose from the social character of labor: emulation appeared, apprenticeship appeared, and the productive forces of these individuals, of these individual workers, multiplied on the basis of the social character that their labor was acquiring, even though each one continued to produce a whole commodity.

But as Marx unfolds the process of cooperation, the final form of cooperation that emerges is no longer that each person produces a commodity independent of everyone else's, but rather that everyone does the same thing, yet all work on the same unitary commodity. And now, in this labor process, even though everyone does the same thing as everyone else, this commodity arises as the product of collective labor. And this is another step, then—there are two steps involved—in the socialization within the private nature of labor. Therefore, it is a socialization of private labor. Private labor is a form of organizing social labor.

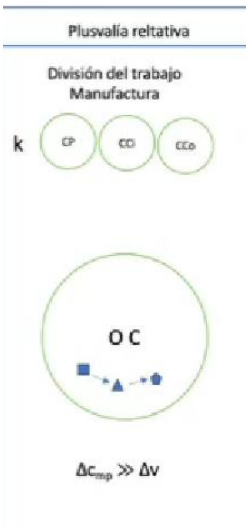


Well, we had the functions of the capitalist, the contradictory form this takes, the growth of constant capital put into raw materials at the expense of variable capital, and we reached the limit of the productive force that this form of socializing labor has.



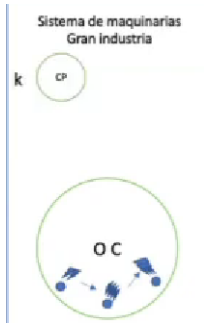
And so we moved on to the division of labor in manufacturing, where the commodity was now the direct product of a collective worker, with each worker performing a partial task. What did we find in this? The productive power of this collective labor, because each worker was specialized in a partial task, was enhanced; but at the same time, the productive forces of each individual worker were further diminished. The individual worker might not even know which commodity they were participating in the production of because their partial task prevented them from understanding the unity of the production process in which they were involved. Thus, the development of this contradiction within the capitalist mode of production emerges. The productive forces of the collective social character of labor are being developed, and at the same time, individual productive forces are being diminished.

When we looked at the role of the capitalist, [...] what we were saying is: now a production plan must be made, the collective worker must be designed; thus, the work of organizing the social production process, carried out privately, becomes increasingly complex. And at the same time, [...] what was beginning to emerge was that within the collective worker, functions of work organization were appearing, but immediately linked to the development of that work process; because the figure of the foreman appeared, the specialized worker who had auxiliary workers assisting him in production.

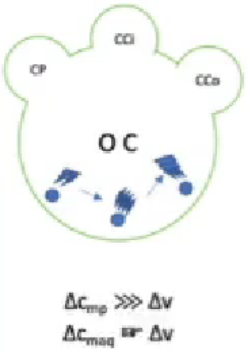


We were looking at the development of the socialization of private labor within the division of labor in manufacturing, and its limitation became apparent, stemming from the materiality of the worker's labor: that the tool remained in the worker's hands. As we saw before us, the solution in this process of socializing private labor was the development of the machine system.

In that development of the machinery system, production now necessarily had a collective character because it was a system of specialized machines, and what we found was that the workers' productive attributes were even more diminished because they became appendages of the machinery. And what Marx argues is that the spiritual control of the labor process is now objectified in the machine, and the machine belongs to the capitalists, and is therefore alien to the workers. But we developed this further when we proposed that what now governed the production process is scientific knowledge.



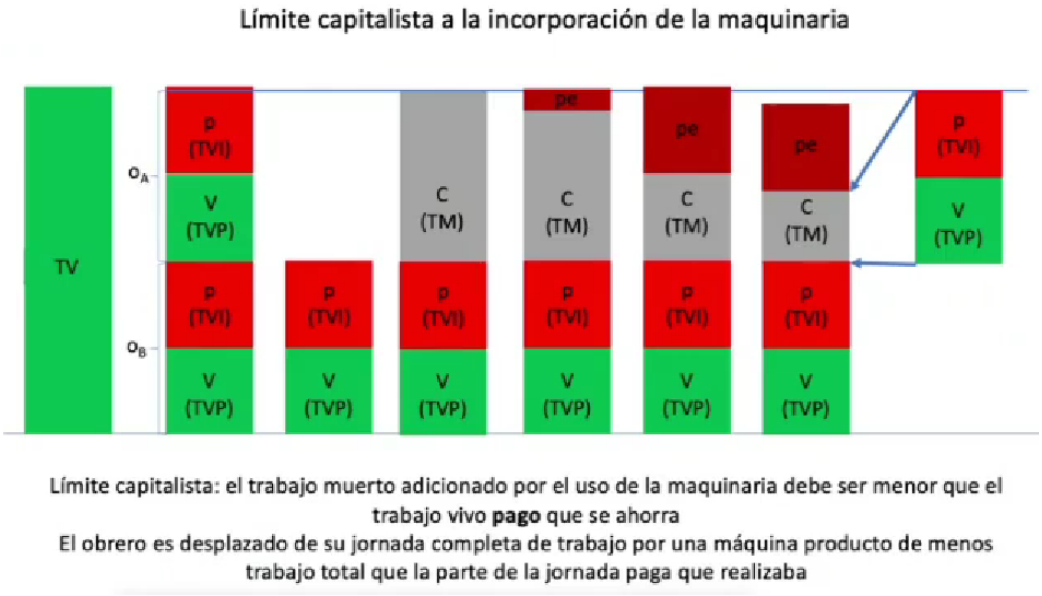
And we went beyond Marx's analysis, because Marx says that capitalists don't fulfill that role, but he doesn't say who does. We asked ourselves who could fulfill it, and we found that capital's need was satisfied by this scientific consciousness through the integration of the function of organizing production into the collective worker, becoming an attribute of the collective worker. We looked at circulation and found the same thing, and we looked at coercion and found the same thing.



And if you look at this process up to this point and examine the development of the capitalist mode of production, well, here's where the contradiction lies. What began to emerge at this point is that, just as it mutilates the productive subjectivity of the workers, turning them into appendages of the machinery, it also develops the productive subjectivity of the workers it requires to embody the function of capital. And then this movement appeared.

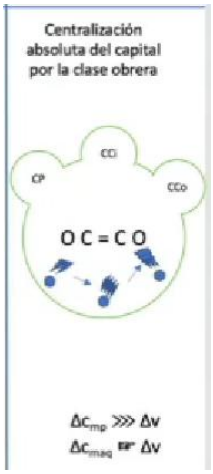
If we look at it up to this point, which is as far as the development of the production of relative surplus value goes, in the first instance, what we have is the development of the socialization of private labor which, in its movement, transforms the materiality of labor, transforming what was manual labor into intellectual labor, taking the tool out of the worker's hands and turning it into this automatic mechanism where natural forces are controlled and that control is objectified, the social character of labor is controlled within private labor, and the subject that carries this development is the working class, whose body... What we had was: this development turns the capitalist class into a parasite from the point of view of capital and takes away its historical right to exist, and within the collective worker what we had was the antagonistic relationship between buyer and seller of labor power, because a substantial part of that collective worker fulfills both roles: it is a seller of labor power whose function is to act as the personification of capital.

So, we had this movement. When we continued to look at the process of reproduction, at the process of production of relative surplus value, we saw the situation in which we saw the transformation, not only of the materiality of the working class's labor, but the increasing transformation of the working class into a relative surplus population for the needs of capital.


Límite capitalista a la incorporación de la maquinaria
TV
o_A
o_B
p (TVI)
V (TVP)
C (TM)
pe
Límite capitalista: el trabajo muerto adicionado por el uso de la maquinaria debe ser menor que el trabajo vivo **pago** que se ahorra
El obrero es desplazado de su jornada completa de trabajo por una máquina producto de menos trabajo total que la parte de la jornada paga que realizaba

And there, what we had before us is that capital develops the productive forces of that free labor as social labor within its private form, at the expense, not only of mutilating individual productive forces, but of directly wresting those individual productive forces from the workers whom it consolidates in the condition of surplus.

And we went a step further than what is in *Capital,* where Marx arrives at a single capital, but with the capitalist still fulfilling the functions of capital management, we arrive at an absolute centralization of capital as property of the working class, it is the full socialization of private labor within that private labor.



We had a single organ of social production, which nevertheless lacked control over the unity between production and social consumption. Social labor is set in motion with the immediate aim of multiplying the capacity to implement social labor as something that consciousness cannot control; because consciousness is determined as the personification of capital, its purpose is to set capital in motion again. Thus, we have the full development of the alienation of labor in capital, because the contradiction is no longer the social character of labor and the private character of appropriation, but rather, the contradiction that has been brought to its full development is the socialization of private labor: there is only one unit of production, all labor is organized within that unit, and yet the immediate aim of setting social labor in motion is not the production of use values, but rather multiplying that very production. Which, at the same time, implies that there is no immediate unity between production and social consumption.

And then, if one looks at the unfolding that Marx makes in *Capital* and goes beyond that unfolding... Because in the unfolding that Marx makes, what I was saying the other day was that up to this point the working class has been seen losing all productive attributes; it is clear, from what he states in the *Grundrisse,* that the key is in the transformation of the materiality of labor in the development of intellectual labor, the differentiation of human labor from any animal productive activity not only by the way in which it is governed, but by the very materiality of that labor. Well, in the development I contrasted these transformations with, on the one hand, the development that appears in the text of *Capital* regarding what happens to the workers in the capitalist mode of production, and suddenly, the leap to the fact that, simply through the development of their fighting spirit against the general law of capitalist accumulation, and their organization and discipline due to the collective nature of work, they went on to transform their freedom, from being consistent in being doubly free, not having control over the social nature of work, into a freedom in which each individual immediately recognizes himself as an individual organ of the social life process.

So, first of all, one looks at the development of Volume 1 in particular, and what one has before them is this: what the capitalist mode of production does as a historical mode of development of the productive forces of social labor. But not only what it does, but how it does it. Up until then, the historical character of the capitalist mode of production hadn't been developed anywhere; Marx is the one who makes the original development, not only from an individual perspective, but also from a social perspective, of this unfolding, with the parts we're looking at beyond the development that Marx makes. But not even Marx himself, until he finishes writing Volume 1, had been able to fully develop it. I'll later refer to the fact that this is what Marx sees from the beginning, and it takes him his whole life to be able to fully develop what he saw from the beginning; that he takes it a step further, that is: in what he proposes, the society of fully free individuals. Well, so first of all, what one has is this unfolding.

This unfolding shows that just as the capitalist mode of production possesses all the potential we've been discussing for the development of the productive forces of individual free labor as well as the productive forces of collective free labor, it also unleashes all the mutilations it inflicts upon those same productive forces. And it

reveals how the historical form of the development of the productive forces is, while absolutely the most powerful for that development and sweeps away all others (and well, I'll stop there to avoid adding things that come later in Marx's work), it simultaneously demonstrates that it is the mode of production that most brutally annihilates productive forces.

Now, with this approach, in my view, what's missing is that leap that Marx makes in the chapter on primitive accumulation, a leap that remains interrupted in the development of the *Grundrisse.* Because the problem isn't simply saying: well, this involves the mutilation of productive forces, and consequently, it cannot be the full form of the development of human life, of the generic human being, because what we initially observed is that every living species, in this case, humankind, needs to advance in its capacity to transform the environment into a means for itself, and this isn't the full form of the development of that capacity due to all the mutilations it exhibits. But the question one has is in what concrete form does the capitalist mode of production bring about the development, now absolute, the overcoming of the contradiction that is essential to it, which is this contradiction of the increasing socialization of private labor? The overcoming of the capitalist mode of production, which is the direct socialization of free labor, can only arise from the development of this contradiction, from bringing this contradiction to its absolute negation.

And the development of this contradiction must be sought in the very thing that has been showing us what the capitalist mode of production is doing. And what this shows us about what the capitalist mode of production is doing is the transformation of the materiality of labor. If we look at this transformation, what we see is that the material product of the collective worker's labor is increasingly becoming the production of scientific, objective knowledge of how to control natural forces and how to organize labor socially, as an immediately social unit. And at the same time, when we look at the social form that the product of labor takes in the capitalist mode of production, it is surplus value. And what is surplus value, and what is the transformation of surplus value into capital? It is the capacity to multiply, to set social labor in motion as something that cannot be controlled. And so, this contradiction takes this form (I will repeat it): materially, labor is the development of the capacity to control natural forces and to control the social character of labor—and this means: the unity between production and social consumption—; And the social form is the negation of that materiality and that unity; it reproduces the implementation of social work with the immediate purpose of producing more capacity to implement social work with all the mutilations that the capitalist mode of production entails.

And so, we have to look, so to speak, for the "point of overcoming" of the capitalist mode of production in this very transformation. And then, if one looks at it from the point of view of what constitutes the unity between production and social consumption, the implementation of that production which does not have an immediate unity with social consumption points to an increase in the rate of surplus value. Because what did we have as the axis of the development of the productive forces of labor in the capitalist mode of production? The development of the production of relative surplus value. The increase in the rate of surplus value

has among its conditions that no use value be produced that is not socially useful, because every expenditure of labor power applied to producing a use value that is socially useless is labor power lost to capital; it is surplus value that capital cannot realize (I forgot something earlier). Therefore, capital itself needs to advance in establishing the unity between social production and consumption in order to increase the rate of surplus value. At the same time, if the unity between social production and consumption is established *a priori,* the automatic activation of social labor to produce more surplus value ceases. Because now there is an immediate unity between production and consumption, and the immediate purpose of social labor is to satisfy social consumption. And this, then, is not the entire process of development, but simply the point at which the movement of the capitalist mode of production itself transcends itself.

I sometimes put it this way, which is utter nonsense: capital goes out in the morning to increase the rate of surplus value by not wasting social labor because it doesn't immediately correspond to social consumption. It makes that production adjust to social consumption: capital ceases to be capital; now the immediate purpose of social production is to satisfy the needs of social consumption. This requires, or rather, that each individual immediately recognizes themselves as a concrete individual organ of the social metabolism process. That is, they are directly assigned which means of production they will have to use in their participation in the production process and which means of consumption they will have to use in the process of individual consumption. Consequently, objective consciousness becomes the form of social relations in general.

If you recall when we started, at the beginning of Volume 1, what we proposed was that every human society faces each cycle of the process of reproducing its life with the need to establish the unity between the individual character of labor, the social character of labor, the individual character of consumption, the social character of consumption, production, and consumption. And that this need, this organization which was inherent in the general social relationship, presented itself to us, so to speak, from two points of view.

One perspective is that of the unity of this social life process, and the question from this perspective is how to assign to each member of society what specific useful work they will perform, and consequently, what means of production and means of subsistence they will need. And from the perspective of each individual, of each member of society as an individual organ of this social life process, it is about recognizing themselves in that condition: knowing what specific useful work... Excuse me, I missed a bit: society has a mass of labor power in general, which is carried individually in the members of society, and the problem of organization from the perspective of society is how to assign to each person what specific useful form they will give to their portion of labor power in general in order to participate in the production process. From the individual perspective, it is how the individual recognizes themselves in their condition as an organ of this process.

If we look at the capitalist mode of production, what we had from the beginning is that society possesses this mass of labor power in general, but that individuals

do not have it directly assigned in specific, predetermined forms, in contrast to previous modes of production, where this allocation is made through bonds of personal dependence. Here, it is a society of free individuals; it is not assigned what specific form the expenditure of individual labor power will take: that was an attribute of the consciousness and will of these free individuals. Each person had their share of labor power in general, their capacity to perform abstract labor, privately and independently. And on that basis, social labor was set in motion without *immediate unity* with social consumption: the unity was established a posteriori, once the production process was finished, through the process of circulation, the exchange of commodities, where the recognition of whether each individual had performed socially useful or useless labor was established through the representation of abstract labor. If what was produced was socially necessary, if what had been produced from a social standpoint, carried out privately and independently, and materialized in the commodity, was useful, it was represented as the value of that commodity. And so, what emerged was this reciprocal recognition established indirectly through the determination of the socially necessary abstract labor materialized privately and independently of its product as the value of that product, and that product had the form of a commodity [...]. So, what we had was: from the standpoint of the unity of social production and consumption, this is the way of organizing social labor and social consumption and establishing that indirect unity.

When we ask ourselves how this same question is posed from the perspective of each member of society—how each member of society recognizes themselves as an individual organ of the social metabolism process—we find that this recognition is not a personal attribute of each individual. Their capacity as a free individual to know whether they had acted correctly or incorrectly as an individual organ of the social life process was realized after production, and what that determined was the commodity. If the product of their labor proved to be a commodity, and therefore contained value, in the exchange process, the producer of the commodity could recognize themselves as an individual organ of the social metabolism process. If what they had produced was socially useless, that product lacked value, it was not a commodity, and the producer of that non-commodity belatedly recognized that they had not acted as an individual organ of the social metabolism process in production and, therefore, could not participate in the process of social consumption. And what we had seen in consequence of this is that the free consciousness of the commodity producer is the form that his alienated consciousness takes in the commodity.

Now we are faced with a consciousness that is free not because it is alienated in its commodity, but because it has full control over its individual labor as an organ of the social production process. It knows itself, objectively, which specific individual organ it is in that process of social metabolism. Therefore, overcoming the capitalist mode of production is the transformation of human freedom into what Marx proposed: it is an individual property that *simultaneously* has a social, collective character, over the means of production. [...] We also saw in the development that the working class is an attribute of capital. The abolition of capital by the working class—because it is the subject that carries the development of these productive forces, because acting as an attribute of capital is its function—

is immediately the abolition of the working class. Therefore, the working class abolishes itself and becomes a society of free individuals in this sense: who immediately know themselves to be organs of the process of social metabolism. What is Marx proposing? The condition for this, the form of this, is collective ownership of the means of production, because now social production and consumption constitute an immediate organ. Only on the basis that this immediate, collective organ controls its own means of production can it immediately establish this unity with its own consumption.

So, what I find is this development progressing in a more concrete way than Marx presents it: it allows us to see, first, who the subject of the development of scientific knowledge is; second, how the materiality of human labor is being transformed, and then, who is the bearer of that transformation in the materiality of labor, the capacity to organize unity, to transform not only the immediate materiality of labor, but to transform the social organization of labor on an objective basis: that is the working class. Therefore, the working class is the bearer of this development which, until the overcoming of the capitalist mode of production, is the development of alienation, because it is not the abstract negation of alienation: only with the overcoming of the capitalist mode of production is alienation overcome. Before I completely lose my voice [Laughter], what would you like to discuss regarding this?

Javiera: I have a question, Juan. Correct me if I'm wrong: is the transformation of the materiality of work what allows for the conscious technical application of science? I don't know if you covered this last class, but I'm still wondering what drives it.

JIC: Let me put it this way: Marx focuses on the material process of labor under the direction of the capitalist. In Chapter I, he talks about human labor, but he doesn't dwell on its materiality. Later, he does discuss materiality, the conscious nature of the human labor process, how it is consciously governed. But if we examine what that labor is materially, what we see is that the commodity producer has complete control over their individual labor, which is part of the materiality of that labor. But what does that labor consist of? What is governed by that control? They wield the tool and control its movement with their mind, they apply the tool with their arm to the object of labor, and they transform its materiality. And that is work, manual labor.

When we look at the development of machinery, the tool leaves the worker's hands and becomes part of an automated mechanism. But to produce that automated mechanism… I'm going in the opposite direction: in that automated mechanism, the control of a series of natural forces is objectified. And the first thing to do, then, in the work process is to develop control over those natural forces. We must develop the capacity to objectify those natural forces in the machinery, so that now those natural forces are automatically transferred to the tool, the tool operates on the object of work and transforms its materiality. Here we have a first step in the transformation of the materiality of labor. There is a transformation (the first one came before), the tool is no longer in the worker's hands: now the tool is part of this automated mechanism.

What does work consist of? Work consists of developing the capacity to control natural forces, developing the objectification—which would be the technological aspect—of that control in machinery, ensuring that the machinery operates correctly. These are all processes of intellectual work, not manual labor. This is a long development, but it's a movement toward the idea that human work materially consists of developing objective knowledge. And Marx touches on this somewhat in the *Grundrisse:* increasingly, one makes use of natural forces so that natural forces act on their own; one doesn't have to intervene in that transformation. So, this is the transformation in the materiality of labor. I don't know if that clarifies things...

Javiera: Yes, I understand that more or less [...]. What I meant was... Because, you saw in the previous chapter, Chapter XXIV, when he's talking about what this expropriation by the mass of workers will mean for all the capitalists, he lists a series of things that will be the basis of this expropriation, and among them he talks about the conscious, technical application of science. So, what I was saying is that this is something that is already developing with the transformation of the materiality of labor.

JIC: That is the transformation of the materiality of work.

Javiera: Sure, but that's like a final destination, this conscious technical application of science. I mean, what does it actually entail?

JIC: That's why he makes a distinction there—he does so several times—but if you look at it in the context of my development, you can say: on one hand, there's the development of knowledge about natural forces. What follows that knowledge, the unity with that knowledge, is the transformation of that knowledge into its objectification in machinery. And that's the technical application of science: we know how a natural force operates, and now we objectify the capacity to control that natural force in machinery. The movement from science to objectification is the technological application of science. You seem hesitant...

Javiera: I don't know... I mean, I understand you, but the thing is, I thought it implied something more. I was left with that idea when we talked about how, well, this whole thing about the worker, this intellectual, scientific character of the worker, their handling of science, is going to be developed further, and I thought it was going to lead to something more. Or I also thought that this idea that work is already directly organized, I mean, basically, the unity between production and consumption, is going to mean a different leap in terms of the development of science, as well as the application of science in... I don't know if I'm making myself clear, but that it was going to lead to something more, like...

JIC: A free consciousness will have a capacity for the development of science that goes far beyond the capacity of a consciousness that is free because it is alienated. Science and the technical application of science constitute a unity: the development of science aims at transforming that knowledge into knowledge that

operates. Knowledge operates through control, the objectification of the control of the natural force that science understands, and that is what we have before us.

When Marx makes a reference—which I mentioned last time, but which is in Volume 3—to general human labor, he doesn't refer to science and technology directly, but rather indirectly, saying: it is all invention, all discovery. And if you look at it, every discovery is scientific development, and every invention is the technological application of that scientific development, and he unites them in the general character of labor. The materiality of technical labor is no different from the materiality of scientific labor, because it is not manual labor either; it is intellectual labor: the design of a machine is intellectual work that has a character as objective as the character of scientific knowledge. I generally tend to use the term "scientific" to encompass both aspects. Marx sometimes uses it as scientific, saying that science is not an attribute of the capitalist class, and he doesn't say "science and technology," he says "science." I tend to use "science" to encompass the unity of that process where the materiality of labor is, in both cases, intellectual labor. I don't know if that's clearer, or if you want to bring something else up, Javiera.

Javiera: No. Thank you.

Alejandro: I wanted to raise a couple of questions that arise for me based on this, thinking about how Marx addressed this problem of identifying the subject who would, in some way, take revolutionary action to overcome the capitalist mode of production. I understand that we have now identified it: the working class. But today we have this problem that perhaps this subject is only emerging in a particular branch of the working class, and often that branch doesn't even recognize itself as part of the working class. My question is, at what point can we see that this subject of science begin to recognize its own defining characteristics as a worker? And just as there is this collective working-class body that carries on the science, you have the other fragments that are progressively relegated to the condition of being surplus, and these also often don't even recognize themselves as part of the working class because they perceive themselves as marginalized. On the one hand, that's a question I have about how to resolve the contradiction within the various organs of the working class in order to arrive, if you will, at that revolutionary subject.

And then my question also stems from the fact that the absolute centralization of capital appears as a condition, and what I see today is that this process of centralization is taking place above and beyond national borders, and it no longer takes the form, as in the last century, of partial centralization within a national sphere. So, what would be the role of the working class to address this process of centralization? Because I don't see any political program regarding this that... not that convinces me, but that is even coherent in terms of anything achievable. I don't know if I'm making myself clear.

JIC: Yes. Regarding the first question, the problem isn't when, but what to do to move in that direction. And the answer is: well, a political action of the working class that operates—I always say: no one can produce consciousness in another

individual, but they do operate in the process by which another individual produces their consciousness—is a concrete, necessary form of political action for the working class: to advance in the process of producing that consciousness that identifies itself as the working class. The contradiction is within the working class, precisely because the working class is an attribute of capital; it can have the most brutal forms of resolution, which are inherent to the capitalist mode of production. So, nothing suggests that it will be a harmonious development, and, as Holloway says, “unleashing the carnival of the oppressed” is far from that. Again, it's a matter of the political action of the working class to be able to give that development forms that don't simultaneously involve the annihilation of part of the working class by another part of the working class.

Regarding the second question, what one must consider is whether what underlies this apparent overcoming of nation-states is actually the development of a world state. This isn't a world state where everyone participates symmetrically, but rather a nation-state that governs the movement of capital within other nation-states, which become organs of this nation-state. Paradoxically, this nation-state expresses the development of unity, transforms, and assumes direct regulation of the global unity of the capital accumulation process. And so, aside from the fact that primitive forms of a world-state exist today, within these primitive forms, something else becomes evident: that certain nation-states govern the general unity of the movement of social life—again, with all the antagonistic character and brutality inherent in the capitalist mode of production.

This brings with it the problem of the political organization of the working class recognizing itself in its universal unity, and as you pointed out, this is far from being immediately apparent. Therefore, only the political action of the working class can bring about, give concrete form to, those conditions or those potentialities. Beyond that, I can't say anything more, because my individual capacity to advance the development of overcoming the capitalist mode of production ends there. What I propose as a form of political action is to facilitate the process by which other members of the working class develop their consciousness, precisely by recognizing themselves as members of the working class, which means: as individuals who are free because they are alienated by capital. That's as far as I can answer. Beyond that, my individual capacity doesn't... Furthermore, I believe it's precisely an answer that can't be individual in nature; it can only be given by a collective subject that recognizes itself as a free subject because it is alienated by capital, because it is the bearer of the powers of capital, not the bearer of powers that come to it abstractly from outside its general social relations. So, my political objective is to act in the production of that collective subject, and the starting point in the production of that collective subject is the production of this form of consciousness. It's not that I don't know if I answered or not; I hope I answered you [Laughter]. Because I know this is the answer I give. I don't know if you want to bring something up.

Alejandro: No, it's fine, I don't know if there's even a definitive answer, but the question remains. And there's an issue that's come up again, which you mentioned at the beginning, almost as a starting point, and since I might not be here next Wednesday, this point you always make about no one being able to produce

consciousness in another person continues to trouble me. I understand why you say that, Juan, in your argument, but it creates a kind of conflict for me in the sense that the working class is always a stage in the reproduction of capital, and in that sense, one sees that within the family unit, which is always a stage in the reproduction of capital, personal bonds appear in the formation of the child's consciousness, bonds that influence the production of that consciousness. It's always a social production of that consciousness, but for me, it's always a production, and precisely as Edgardo says [339], wouldn't that be producing consciousness in some way? It's a question I had at the beginning of the workshop, and now it's come up again because of this.

JIC: Conscience is the way each person governs their individual actions as part of the social life process. So, consciousness is an individual product because I govern my own actions; another individual cannot govern my individual actions, you understand? If another individual comes to hit me (I'm going to use an unconscious response) and I defend myself, the other person caused me to govern my individual actions in a certain way, but I was the one who governed myself. He came to hit me, and I couldn't say, "Hey, convince me, I have to defend myself." It's a very crude example. So, the difference is this: I govern my own actions. In the development of my capacity to govern my actions, social work clearly plays a role, but I can't say that my actions are governed by the other person, you understand? I don't know if you understand or not.

So, I can operate within the process of producing another individual's consciousness, but I cannot make my own consciousness take the place of that individual's consciousness. Because every movement, every properly human action, is a conscious action—to put it this way—and every human action takes the form of an individual action. And therefore, the consciousness that intervenes in governing that individual action is the consciousness of the individual who is acting; that it is a product of social labor, that much is clear, but one cannot produce it for another: one operates within the process in which the other produces their own consciousness. And what I am proposing as a form of political action is to operate within a process in which other members of the working class produce their consciousness. Why do I always maintain that the problem is not convincing? Because convincing would mean pretending that the other person accepts that I am the bearer of their consciousness and stops at the mere appearance that I should know why they have to do what they are going to do. And even if I were to convince another individual, it is the other individual who is convinced, it is the other individual who develops their own consciousness by taking these elements into account. I don't know if that's clearer.

Alejandro: Yes, Juan, I understand, but what I'm getting at, for example, is what happens when you act in that way you're saying, trying not to convince the other person, but with a very young child who hasn't yet fully developed the capacity for self-awareness? I don't know if I'm explaining myself well: it's not the same if someone tries to hit you as an adult as if they try to hit you as a child, let's say.

[339] **Edgardo** [Chat]: Isn't operating already producing the consciousness of another?

JIC: A newborn child has no consciousness, and consciousness develops as they grow. I don't know if this refers to what you're saying. They develop that consciousness, but it's still what it is... Conscious knowledge is knowledge that knows it's knowing, and the newborn [...] governs their actions with a purely animalistic knowledge. As they develop their capacity to organize their actions, there comes a point when that capacity takes the form of conscious knowledge. Again, it's the consciousness of that already, not newborn child, but a developing child, but it is their consciousness. And a lot of adults will have operated as an expression of social work in the process in which that child developed their consciousness, but they couldn't put themselves in the child's place of consciousness. A bad example came to mind, but it's like saying: I'm going to digest for you. I can't digest for you. The brain, which is the organ, so to speak, of consciousness, my brain, cannot take the place of another individual's brain. So, I can operate in the process in which the other individual develops his brain (in this case his consciousness), he makes his brain operate, but it is the other individual who makes his brain operate, my brain cannot function like the brain of the other individual (at least until now).

So, that's why [...], my brain is the "place" where my consciousness exists, let's put it that way, my consciousness can't be placed in another person's brain. So, in that sense, I say that consciousness is something that each individual develops in relation to themselves, develops for themselves. And I want to emphasize this again: it's clear that social work operates in that process, just as social work operates in the process by which an individual develops their digestive system, because it puts food in it... Furthermore, when you consider the boy's expression, the boy isn't capable of producing his own food; the work of other individuals is what operates inside this individual's stomach, but the digestion is that individual's digestion, not the digestion of others. That's why I say that consciousness can't be produced in anyone. [...] Yes, Javiera, go ahead.

Javiera: I have a question that aligns with what Alejandro was saying, so if not, we can come back to it later, but I'm asking it now because otherwise I'll forget. I agree with what Alejandro said; I think Juan and I have been discussing this for many years. But for me, it's clear that one cannot create the consciousness of another. What I wonder is whether the form of political action you're proposing is sufficient, or if it contributes to the collective approach under which we, as the working class, will have to revolutionize the productive forces of this mode of production. In other words, I wonder what role coercive consciousness plays, or if it will play a role at all. I always have that doubt about what you're saying regarding how this operates. Where is the coercive consciousness? How will this process be organized? Because, well, Marx speaks about this, of course, at the end of Chapter XXIV he says: "Well, the indignation of the working class will increase, and with the same force, this mass of educated, organized population will increase, through the same process." So, I wonder, well, is it going to be necessary or not? I mean, is it going to be necessary to organize that process, is it going to be organized, I don't know, in what way? Won't there be a role for someone to lead this process? How is that whole process going to be organized? I don't know, that's why I insist: I don't know to what extent that form that you... has the power, or is

sufficient, or determines the way in which we're going to have to carry out that revolutionary process, let's say.

JIC: What I said is that I know what my form of political action is. I mean, if this consciousness is a condition for overcoming the capitalist mode of production, because it can't be the product of the capitalist mode of production having already been overcome and now having a consciousness that objectively understands its determinations, because this is the condition for the socialist or communist organization of the social life process. Therefore, it's a form of consciousness that necessarily has to be produced within the capitalist mode itself. If the capitalist mode of production doesn't produce this consciousness, then it can't be overcome, because its overcoming takes the form of exercising this consciousness. So, what I'm saying is: this is a necessity that leads to… One can go further back and say: why did Marx write *Capital* within the capitalist mode of production? Because it's a necessity of the capitalist mode of production.

So, I'm not saying that *this* is *the* form of political action of the working class. What I am saying is: it's clear that the development of this consciousness is a form of political action of the working class. Only as a form of action of the working class can this consciousness produce itself; it's not a problem of the abstract development of scientific knowledge. The concrete form that the scientific field producing this consciousness takes is the political action of the working class. I don't know if the reason is clear. Because it is the consciousness that carries with it the overcoming of the capitalist mode of production. So, it doesn't arise as a technical problem of production. Marx doesn't confront the technical problem of production; what he confronts is the overcoming of the capitalist mode of production.

I was going to bring this up later: I look at the development of the three volumes of *Capital,* but particularly Volume 1, and I say: the unity of the development of Volume 1 is the consciousness of the alienated subject, or the bearer of the overcoming of the capitalist mode of production. Therefore, it is the consciousness of the working class that knows itself as the consciousness of the subject that overcomes the capitalist mode of production. So, this is a form of political action, an aspect of the political action of the working class, which is a necessary condition for overcoming the capitalist mode of production. Without this, there is no overcoming of the capitalist mode of production (stated externally, because I say: if there is to be overcoming the capitalist mode of production, this is inherent in its forms, and therefore it will be generated).

This is the general movement. Then I said: this is *my* form of political action. Every individual subject is an individual organ that has individual powers; it doesn't have unlimited, infinite powers: it has individual powers, and I recognize myself, in this condition of an individual organ with very limited powers, that this is my form of political action. And this is the position. I'm not saying that we all have this consciousness and that the capitalist mode of production has disappeared. And due to a whole series of factors that contribute to this, I cannot embody other revolutionary powers of the working class; I don't have the capacity to do so, I don't have the personal attributes to do so. So, it's not that: well, we have

to do this and we also have to do that... No, this development has a lot of concrete forms, but this is a necessary concrete form.

And one of the things that happens is that there are relatively few members of the working class today who are in a position to operate under this form of political action. What Alejandro pointed out earlier—that this is a scientific consciousness, and scientists don't recognize themselves as members of the working class—already shows how limited this form of action is. So, if I have to prioritize among forms of action, what I face is that this is an action that needs to develop, and that potentially there are few members of the working class today who see it as a necessity, to give their political action the form of that development. Therefore, all the more reason for me to continue fighting in this direction and make this the focus of my political action.

Precisely, I don't want to convince anyone that this is their form of political action; it's something that has to arise from the very needs of each individual. And I don't want to convince anyone because that would be knowledge that stops at the appearance of what I'm saying being the way it should be. That's why the knowledge I propose is knowledge that each person needs to develop fully, the unfolding of that knowledge for themselves, as an original process of knowledge from an individual perspective, as a process of recognition from a social perspective. And that's where I operate through my work, the concrete form of the social character of my work: operating within that process. But until it's possible to put one's mind inside the minds of others, there's no other way to produce consciousness than through that operation, through that way of confronting other members of the working class with the need to answer questions about their own subjectivity, following this way of questioning that subjectivity, this method of questioning that subjectivity.

I'm going to worry about my subjectivity and the need to, precisely, nourish the digestive system [Laughter]. So, I propose we meet on Wednesday, let's go back and discuss whatever you want to discuss… I still need to address the issue of the unity of Marx's development throughout his life, especially in contrast to those who talk about the "young Marx" and the "mature Marx," all that stuff, where there's a process of developing knowledge; it's not that he knew the same things when he was young… But that process of knowledge has a unity that begins very early on, saying: this is what I have in front of me, but I can't explain why this is what I have in front of me, so to speak (Marx must have approached it the way he did). And how he reaches a point where he can say the same thing he said at the beginning, but now the necessity of what he was saying is fully realized. And well, we'll continue looking at these issues.

Alejandro: I won't be there next Wednesday, so it will be the last time I'll be at the workshop. I'll probably watch Volume 1 later.

JIC: Well, of course, if at any point you want to meet again, we'll arrange it and get together to discuss whatever you like. But anyway, we'll consider this stage completely finished by Wednesday.

Alejandro: Okay. Are you going to start with the articles about logging, is that right?

JIC: No, it's a little later, a year later. See you on Wednesday.

[II (End of the workshop)]

Okay, if there's anything you'd like to bring up about what we were discussing last time in general, let's start with that. Nothing? Okay, I'll raise two points. One is something I always bring up: we've already come to consider the overcoming of the capitalist mode of production and the argument that Marx makes in *Capital,* the argument he makes in the *Grundrisse,* and the argument I made regarding the transformation of the materiality of labor and the socialization of private labor taken to its extreme. And what I wanted to raise, what's missing in that development, is that when one [...] asks about how social production and consumption are organized once the capitalist mode of production is overcome, the question often arises as to what form that organization will take.

And I always take the example of the discussions surrounding the possibility of how that organization can be structured, the proposal that it will be an assembly-based society, where all individuals will participate in the immediate organization through this process, and proposals that say no, a universal assembly is impossible, it has to be with representation, but with the revocation of the mandate when those represented cease to recognize that representative as the expression of their own conscience. And my response to that is that, in reality, either of those two forms reflects the social bond inherent in the capitalist mode of production, where individuals see themselves as isolated individuals, lacking an immediate social bond, because that general social bond takes the form of that indirect relationship established through commodities, then money, then capital; And therefore, society would not be a collective organ that has individual organs, but rather these images (are part of commodity fetishism) correspond to a set of isolated individuals that come together to form a collective organ, which is the image of the capitalist mode of production.

And if one is thinking of a society in which the socialization of labor is immediate, where each individual immediately knows themselves to be an individual organ of the social life process, of the process of social metabolism, and moreover, as a concrete individual organ with respect to that process, the question does not arise as the need to *constitute* society, but rather, conversely, as the question of what concrete form this immediate recognition of the condition of being an individual organ of something that is itself a process of social metabolism—of which individual metabolisms are forms, bearers of that unity—can take. And this presupposes answering the question of what the consciousness of a free individual who is not alienated is like, because that is the individual organ that objectively knows itself to be in this condition. And if one asks what it is like to be a free individual who is not subject to personal dependence on anyone because he has full control over his individual work as an organ of the social metabolism process, what it is like to be a free individual in this respect, the answer one can give is that one cannot answer this question regarding that condition, because one is not a free individual because one has full control over one's condition as an individual organ of the social metabolism process, but rather one knows what it is like to be a free individual because one is alienated in the commodity.

And so, one might ask what that free individual in a society that has transcended the capitalist mode of production will lack, and the first thing one might say is that they will not have alienated consciousness. But what it means to not have alienated consciousness is something we cannot answer because we have never encountered any concrete example of someone possessing a consciousness that is not alienated; we are not. And this reminds me… Regarding what I am about to raise, it produces a somewhat contradictory thought: Marx argues that the anatomy of the human being is the key to the anatomy of the ape, but not vice versa, because in the human being, what is only potential in the ape is fully developed. And here we face this same situation. The problem with this observation is that one must always act upon something that is potential, and so, if it is the ape and it must act to consciously and voluntarily transform itself into a human being, it cannot wait for the existence of the human being to understand its own determinations.

So, I have my answer to this contradiction of not being able to say what that subject will be like because that subject doesn't yet exist: my answer is that it's actually an irrelevant question. Asking today what the individual in socialist society will be like in terms of the determinations of their consciousness, beyond being able to say that they won't be alienated because they have full control over their condition as an individual organ of the social metabolism process, is irrelevant insofar as one is not that subject, one doesn't organize their social life process on that basis, nor can one, because one is an organ within the general unity that is the capitalist mode of production. The illusions or illusory constructions regarding the establishment of direct links outside the capitalist mode of production that transcend the general relationship of the capitalist mode of production itself are nothing more than an abstraction. But I return to this: it's actually irrelevant to know what that individual will be like, because our problem […] is what we do today to produce that subject.

When we began the workshop, I raised the issue of the human condition as a historical subject, of humankind as a historical subject, insofar as each human generation finds a world that has been transformed by the work of the previous generation and, therefore, each human generation produces the one that follows through its labor. Labor is a conscious and voluntary action; each human generation consciously and voluntarily produces the generation that follows. And consequently, what we face is the problem of what we do today to advance the production of that other subject. And this is the question at stake, and this is the immediate question for us as free individuals engaged in political action. So, this is the question—this is the approach regarding what is at stake for us in relation to the production of that higher social form which the capitalist mode of development inherently requires to be overcome through concrete political action that produces the material conditions for the full socialization of private labor, so that the point is reached where the contradiction inherent in the socialization of private labor becomes absolute and is resolved through the immediate socialization of labor. Do you want to propose something? Has it been even minimally or partially proposed?

Ivan: I got lost in the connection between the assembly-based organization (of the councils, I understand) and the problem of fetishistic consciousness. I understand that one cannot know what that other form of consciousness will be

like, but I didn't understand the critique or the argument in relation to the assembly-based form.

JIC: What kind of social relationship does the assembly-based organization form? This has an immediate impact on public legal relations. What is presented as the origin of a nation-state? There is an assembly that meets and constitutes national unity, drafts a constitution—there is a constituent assembly. What image, what representation, corresponds to this? That here we have a series of isolated individuals, free by nature, who lack any bond and consciously and voluntarily come together to constitute a social unit. Thus, the determination of what is at stake is inverted: here we have a social unity that takes shape in the person of the individuals who are members of that unity. Therefore, the representation of the assembly-based system is characteristic of the capitalist mode of production: we have to come together independently of one another to constitute the unity, instead of starting from the premise that we are a unity and therefore act in this way as its individual organs. This is the meaning of the critique of the image of the assembly-based system as an expression of having overcome the capitalist mode of production. But I don't know, Iván, if this is...

Ivan: No, of course, I thought you were referring to something else... I mean, I don't know if you're linking that to the critique of the councils and *soviets,* because in those cases they appear as assembly-based forms. I don't know if I would directly link it to this bourgeois image of the social contract, because it seems to me that in the council system, people appear, at least, not as free individuals but as members of a class; what unites the council is belonging to the working class and to the place of production. I thought your point was coming from there because, for example, in Trotskyism and in many left-wing organizations, whenever the critique of the state as an instrument of bourgeois domination is considered, in a Leninist vein, the problem arises of how to overcome the state and its political form, and generally the counterpoint or the approach comes from forms of councils, of assemblies...

In my case, they always seemed like interesting experiences, and at times they have developed, but generally, historically, they have shown little vitality. I think that in the Soviet Union, the soviets lasted a year through assemblies and so on, generating a process of demobilization... And it always raised questions for me about how to organize such large population units; today, I think we are 8 billion individuals, how can we organize them through assemblies? For me, these are always questions that this type of perspective doesn't quite answer. Because what underlies it is decentralization; these are approaches that are ultimately very closely related to autonomist proposals as well.

JIC: Well, you gave the example of the soviets and the councils, which are organizations of the working class. The working class is an attribute of capital. This is what we were seeing: in this inversion of the social subject and the object, the working class is an attribute of capital. So, when these structures are formed, they are formed on the basis of the appearance that one must come to constitute unity, not that one is oneself… If you look at it by drawing a parallel with national constitutions, there is also a limitation there: there is the limitation that those of us

who possess this attribute come to constitute ourselves into a social unit. But this is the form of consciousness, which cannot be recognized by saying, “I don’t come to constitute myself as a unit, I am the unit, and therefore I don’t have to convene an assembly so that the unit can be constituted.” So, within the capitalist mode of production, the assembly form, the council, the soviet, will appear as following the natural order of social organization. What is natural is to be isolated individuals who have to come to associate.

In socialism, or communism—calling this society of free individuals who know themselves to be individual organs of the social metabolic process immediately, because they have full control over the social character of their labor and their individual consumption—the issue is that, in that society, this form of consciousness is no longer that of those individuals: it is a form of consciousness that has been superseded along with the superseding of the social relation. Thus, within the capitalist mode of production, the discussion of the organizational structure arises. The problem with many of these expressions, these forms, is that they see themselves as having transcended the capitalist mode of production. And the fact that they have not transcended the capitalist mode of production is that they reflect the consciousness of an individual who sees himself as free by nature and who cannot recognize his alienation.

So, from my point of view, the first step in organizing the political action of the working class, which recognizes itself as a historical subject, the bearer of the need to overcome the capitalist mode of production, is to recognize itself as free individuals with an alienated consciousness; not to see itself as abstractly free individuals who are organizing themselves of their own free will, but as individuals whose free consciousness carries a need for the *present general social relation,* not in the abstract, for the future social relation. So, this, at least in principle, is my answer to what you were saying, Iván. But I don't know if you want to add anything else. Well, then, this: that what is at stake as a historical subject is to advance in the production of that society and therefore in the production of those individuals, to be bearers of the powers inherent in the current social relation, in the capitalist mode of production, to overcome themselves, to annihilate themselves. That is the… I don't know what to use next. Let's say the "axis," the "essence," or some more precise term, of a political organization of the working class that aims to give form to, and express, the condition of the working class as a historical subject. And in my understanding, this is what emerges, what underlies the development in the *Communist Manifesto.*

If we look at the most powerful form of development of the productive forces inherent in the capitalist mode of production, the most powerful form is the production of relative surplus value; the most powerful form for the production of relative surplus value is the centralization of capital; and the most powerful form of the centralization of capital is the centralization of capital as the property of the working class: this, then, is the axis of the political action of the working class in its condition as a historical subject. What the *Manifesto proposes* in several of these aspects has some expressions… That is to say, the transformation of the materiality of labor, the transformation of the productive subjectivity of the working class, and not under the name of “centralization of capital” but under the name of

“centralization of the means of production as the property of the state.” So, for me, this is… When it is proposed, this is not *the* party of the working class. What the *Manifesto proposes* is: this is *a* party of the working class that expresses that condition of historical subject.

Do you want to bring something up? […] If there's no immediate proposal, I'll complete what I told you I was going to bring up regarding Marx's unity of production throughout his life, but how that unity isn't an abstract unity, an abstract process of maturation—which some see as a process of regression, instead of maturation—but rather it's having seen the essence of the matter, but having seen the essence of the matter, what needs to be unfolded is the concrete form in which that essence of the matter takes shape. And one can find that in… I wanted to take three points, but one of the points… I can't find the quote, damn it… […] I can't find it, well. Fernando, you wanted to bring something up.

Fernando: Yes. Actually, I was thinking about something that ties in with what you said earlier. I don't know if it'll lead to a very long discussion, but I'll bring it up anyway. Iván was just saying that the assembly-based experiences seem to have had little power to embody or to be the concrete political form of what later appears in your response as the centralization of capital in the hands of the working class, and not the overcoming of the capitalist mode of production, even though these assembly-based forms are presented as overcoming the capitalist mode of production. There's this point you make about the Soviet Union that once capital is centralized in the hands of the state, what needs to be done is to produce relative surplus value, and that takes this form denounced as the "bureaucratization" of the political form of the Soviet Union. The question that comes to mind here is, if one is advancing or intends to advance in the recognition of one's own determinations in pursuit of generating this consciousness that is recognized as an organ of the human life process, of the process of social metabolism, and in the constitution of this society of freely associated individuals, what forms must this prior step take, which I understand to be a necessary prior step of centralizing capital in the hands of the working class, and if this same consciousness that is advancing in this construction of a consciousness of freely associated individuals can embody the necessary political form that the centralization of capital in less than the state must take, as its highest form?

JIC: Okay, about that last thing, what did you say?

Fernando: If this consciousness, which is proposing to advance the constitution of a society of freely associated individuals by recognizing itself as an alienated consciousness and an immediate organ of the social life process, is the necessary consciousness to also embody the centralization of the state in the hands of the working class and do what it has to do, which is to produce relative surplus value. Because it is a consciousness that is proposing to advance the construction of a consciousness that organizes itself freely as the very recognition of being an organ of the social life process. Do you understand the point?

JIC: I think so.

Fernando: Let's put it simply: if a Stalin is necessary, if he can personify that consciousness that is being built in that society of free associated individuals.

JIC: I'm going to answer you, dodging the… [Laughter].

Fernando: I said that it generated a lot of discussion, the other option is that [Laughter].

JIC: No, not in this respect. Again, that's so far from being a present issue that... I don't have an answer for that. What's further removed, and what I can answer, is this. The development of that consciousness can only be a product of the capitalist mode of production, because its existence is the condition for a higher social organization. And therefore, only in the capitalist mode of production can this consciousness develop, a consciousness that goes from seeing itself as abstractly free by nature to recognizing itself in its condition as a free consciousness because it is alienated. So, when you take a Stalin, it's an individual who believes he has a free consciousness by nature. And the overcoming of the capitalist mode of production cannot take shape through a Stalin; I'll be bolder: it can't even take shape... Although it's more debatable whether Lenin was clear about what he was doing in terms of what was at stake, whether it was the overcoming of the capitalist mode of production or the centralization of capital as the property of the working class, the seizure of capital by the working class and the management of that capital.

One expression of this, I believe, comes after the failed revolution of 1905, where Lenin argues that… I don't recall if it's with whom the working class should ally itself, but with whom it can identify (it's not the exact term, but it doesn't matter, you'll understand). It's not with the petty bourgeoisie that it should associate, in Lenin's terms, but with the large capitalists, because they know how to manage the social production process on a large scale; they possess that knowledge. Therefore, the working class needs these individuals, not the independent commodity producer or, in this case, the petty bourgeoisie, who don't know how to organize such a system. It's important to remember that Lenin argued that the working class cannot produce revolutionary consciousness on its own, that it cannot move beyond a trade-union consciousness, and that therefore, this consciousness must be brought to the working class by enlightened members of other classes so that the working class can appropriate it and, from there, become the subject of its own revolutionary consciousness. So, it's in the middle of that picture. Something I don't remember where I read, but it appeared that Lenin, after the revolution, proposed as a slogan, "All power to the Soviets," and the electrification of the Soviet Union. As if to say: what's at stake here isn't the form itself, but rather the content that needs to be put into play.

Fernando: I didn't understand that last part, why not the form but the content?

JIC: Because it was the electrification of the Soviet Union. The phrase referred to "All power to the Soviets," but how did we electrify the Soviet Union? Did this entail a transformation in the organization of labor, or was it simply strengthening something inherent to the capitalist mode of production?

Fernando: Well, in that same vein is the quote Braverman uses from Lenin about… I don't remember it exactly now, but something like Lenin says: well, once you've taken power, what you have to do is copy the United States and implement American production methods. Okay.

Ivan: I think it says Henry Ford's, directly.

Fernando: That's it.

Ivan: And the other slogan, I think, was "Socialism is soviets + electricity." What I don't remember, Juan, is whether he proposed the alliance... I mean, it seems clear to me that he strategically proposed an alliance with the peasants for the government, and that's where the discussion with Trotsky came in about the specific form of that alliance, who would lead it, and so on. Then, I think that in relation to what you're saying, I don't know if it's in the NEP, but it's technical, right?

JIC: No, it's from 1905. I don't remember which text it is, but it's on the eve of or after the 1905 Revolution.

Ivan: I'd have to check.

JIC: Yes, that's a good reminder because I don't remember where it appeared. But I do remember this because we discussed it once, more regarding the projection than the issue itself, with Pablo Rieznik at a conference, on a panel about something like this, which I don't know if it was… There were people from RyR [340], I don't remember, but this did come up, and I might have it written down somewhere from that time. And it was this, moreover, to what extent Lenin was suggesting that what was at stake was the overcoming of the capitalist mode of production, or what was at stake was this thing that ultimately encompassed the continuation of capital accumulation.

Fernando: The other question that comes to mind, Juan, is this centralization of capital in the hands of the working class, which we have seen as a fragmented historical expression in the Soviet Union. How can we think about, and to what extent can we think about, how the political forms that this process of centralization—I insist, not the overcoming of the capitalist mode of production—has to assume have changed, or how they might change, in relation to how this change has progressed in labor processes? Because there are several arguments, I understand, about this, regarding the development of what is commonly known as "Industry 4.0" and so on. I think that's an interesting point to consider.

Ivan: Yes, also, on the other hand, there's the limitation this stage presents in the national development of the productive forces. That is, developments are always global, but when you look at the concrete processes, the USSR is developing its productive forces within its national unity, China is making the same effort, and

[340] Reason and Revolution.

it would seem that these efforts today, at least after the dissolution of the USSR and with the New International Division of Labor, also seem futile, right? These national centralizations of capital. If Spain were to nationalize its productive forces today, it might even seem more like a step backward than forward in relation to the European Union; it seems that these nationalisms have become more reactionary, even in that way. It's something that really bothers me because it's like there's a change of mindset that needs to happen, which is very difficult, like… the political vision of transformation.

JIC: First of all, there's all of this. But the question of the state is the *world state,* it's the development of the global unity of the social life process; one cannot reduce it to nation-states. Now, what does the state mean…?

Fernando: Just a quick aside, Juan. I understand that, but now, I don't know, I light some incense and imagine I'm Fidel Castro, and I say: well, I have to make the revolution in Cuba, I have to carry out my political action in Cuba. But my political action regarding building a global state is like… I mean, I don't even know where to begin. Should I become a UN official? I'm considering it in that arena too, right?

JIC: Yes, I'll tell you where to begin: by developing a political organization based on a consciousness that recognizes itself as a free consciousness because it is alienated by capital. That's the starting point. One might say, "How far removed that starting point is from the outcome…" but that is indeed the starting point. Do you understand? The political organization that says: well, what I have to do is form the world state because the working class is exploited in every country, therefore it only has one universal common interest; and I start with that, and I have to produce a new man, for which morality, which is a social relation inherent to the capitalist mode of production, plays a key role; and then I have to look at myself and say: well, in reality I'm not doing what I say I'm doing, the content of my actions has a different character. So that's the answer.

How far are we from that? And even more so, if one says that this consciousness needs to have become the universal consciousness for overcoming the capitalist mode of production, then we're even further from that. Hence the importance of political action aimed at advancing the process of producing this form of consciousness. I mean, from my point of view, this is the starting point for the political organization of the working class as a historical subject. I see you as... I'm not going to say "convinced" because I don't want to convince you of anything, but [Laughter].

Ivan: I think the starting point is welcome, but I'm still not sure… There's also this thing I was saying about the political imaginary, which I feel has a lot to do with how past experiences shape present consciousness. But I see the past experiences of the working class advancing the centralization of capital, and I see these national forms. So, this global form of political action is kind of unimaginable to me. Sometimes you can think of defeat as a form of the unimaginable, but I don't feel defeated. I mean, I'm not going to stop trying to carry out this projection, but I struggle to think about what it would be like, how to transform, how to transcend these national spaces. I mean, I feel a kind of powerlessness, like I see, for example,

instances of global organization alienated by capital, and I see China and the United States that can't even agree on limiting carbon emissions. I see a world that struggles to move towards that global state, that is, with many disputes and tensions, showing the private nature of work in capitalist societies.

JIC: That implies how much of that development is still lacking, which at the same time can be explosive and advance much more rapidly than one might think. Because the entire development of the capitalist mode of production, when one looks at the different modes of production, which we discussed last time, how the productive forces developed, the individual character, the social character of labor…

Edgardo (Chat): I have to go. Unfortunately, I can't participate because I'm at work. Thank you so much for everything, Juan! See you at the Volume 3 workshop. Hugs to everyone, and I hope you continue your political activism!

JIC: Yes, Edgardo, it's a shame, because Edgardo says he has to leave. He's optimistic that we'll see each other at the Volume 3 workshop [Laughter], so, a hug, Edgardo.

Well, getting back to this issue… I'm going to make a complete digression, but since it's been going around in my head and might require some concrete action, it could be a leap in the development of this consciousness that recognizes itself as free because it is alienated in capital, and that is linked to what is supposed to be happening, and to happen more or less immediately, which is the development of artificial intelligence.

Up to this point, what we observe is logical representation, the form proper to the scientific method of knowledge in the capitalist mode of production, because it satisfies the dual condition that allows for progress in the capacity to develop the material productive forces. It measures everything with ever-increasing precision, establishes relationships of measurement between different concrete forms, and, by operating on these relationships of measurement, qualitatively transforms matter. At the same time, it carries the ideological character that asserts that objective knowledge is impossible, that nothing can be transformed by itself, that all movement must originate from the outside, and ultimately, the most complete truth is that objective knowledge is impossible; these are new ways of interpreting the world in different ways. In response to this, as a necessity inherent to the capitalist mode of production, what emerges is the development of dialectical knowledge, not as an immediate material problem of production, as a matter that will modify the immediate material character of production, but as a matter related to the development of the organization of social production in the form of the political action of the working class. But if artificial intelligence does everything it sets out to do, so to speak, it leaves human intelligence with only one function.

Artificial intelligence is based on the same thing as… It's the structure of logical representation, and it's remarkable how Hegel, at the time, said that if an individual is forced to think in terms of quantitative representation, of quantitative relationships, they are forced to do the same thing a machine already does. When I

read that, I was surprised because I thought calculators were from the early 19th or late 18th century; apparently, there were already machines for calculating. Well, now what appears is: if the machine could establish these links through measurement relationships on a more limited scale than a human brain, now it will apparently be able to do so on a much more powerful scale than a human brain. What is it that this machine can't do? It can't operate outside the immediate, abstract assertion of "this is" or "this isn't"; it has that whole structure. He cannot reason that free consciousness is the form of alienated consciousness, because free consciousness is free consciousness and alienated consciousness is alienated consciousness, and it is a logical contradiction to affirm that free consciousness is the form of alienated consciousness.

So, the question that arises for me is whether, with this transformation in the materiality of labor, where what until now needed to be "in the hands," in the brains of human beings, doesn't become entirely a function of the machine, and what remains for the immediate productive operation of the human brain is this capacity to ideally reproduce the real movement of matter, which only an artificial intelligence inherent to an organic being could do. I don't know if this is clear. That as long as it belongs to a mechanical structure of external relations between things, it cannot do it; only an organic machine that is the same as the human brain could achieve this development. And then, the question is whether, in the development of the productive forces, human labor won't undergo a profound transformation that requires the powers inherent in the development of dialectical knowledge. And that, then, the generalization of this form of consciousness, which is dialectical knowledge, will appear as a problem of the materiality of labor. This is contradictory for the capitalist mode of production because it entails an awareness of the limited historical character of the capitalist mode of production and the need to overcome it.

And if that were the case, if this had any real content, any substance, the process of transforming consciousness as a condition for overcoming the capitalist mode of production might be much closer than it seemed until now, only developing as a form of political organization of the working class as a revolutionary subject, becoming a form of consciousness that operates directly in the immediate material process of production. But well, that's almost a science fiction concern. So it's linked to what you were saying, Iván: how distant the possibility of developing that world unity as a true world unity might seem, not as a sum of fragments that see themselves as mutually independent, when they are actually organs of world unity, and the forms of political action of the working class. If this were the case, there would be even more urgency to advance the political organization of the working class based on this form of consciousness.

Javiera (Chat): I didn't understand what you meant by organic machinery, Juan.

JIC: It would have to be the same as a human brain, which is an organic form of matter. The other thing establishes external relationships between things. In order to establish the relationship in which I reason that this is affirmed through its own negation, it cannot have the structure of "yes and no" relationships; it has to have relationships that, until now, are only attributes of a portion, so to speak, of

organic matter, which is the human brain. Well, then it would seem that it wouldn't be a computer, because the word "computer" comes precisely from *counting,* from establishing relationships of measurement. It would have to have the form of an organic structure like the human brain.

Javiera: Okay, but how would that work?

JIC: I haven't the slightest idea [Laughs], beyond stating it like that, I haven't the slightest idea. I don't know, but up to this point it should have that same form. Maybe that's it, human beings in their process, in their condition as historical subjects, end up producing that.

Javiera: But that would be like giving the machine reproducible conditions that it doesn't have today, for example.

JIC: No, it doesn't. The machine, the so-called "artificial intelligence," only establishes external relationships based on the measurement of objects, of the concrete forms on which it operates. When it answers, it answers based on the information it has, it measures that information and says: here are 10,000 who think this is white, and 500 who say it's black, so it answers, measures, and says... 10,000 say it's white? → It's white. And if it's white, it can't be black. That's the essence of...

Ivan: Actually, he says, "Most people say he's white, although there are others who think he's black," because above all he's progressive [Laughter].

Javiera: Yes, it gives you contradictory answers, but it agrees with you. Like, you ask it something first, it answers, then you ask it something else and it agrees with you on the other thing. But that would be like… Nothing, like the machine was inside your brain.

JIC: No, not like there was a machine that was the same as a human being.

Javiera: That's why it would mean providing the machine with reproducible conditions that it doesn't have today.

JIC: To turn him into a human being. Maybe in the evolved form of a human being. This is science fiction [Laughter].

Javiera: But that's why, if you have the computer in your head, like… You have all the information in the world in your head. I mean, you can do other very powerful things with that.

Ivan: What happens is that nowadays what the machine does is… I mean, with these questions you ask it, it kind of builds *tokens from the question;* that is, it individualizes each word, deletes the words called *stop words,* like “of,” “the,” etc., and compares those keywords with a lot of bibliography it has. Then, based on that, it copies and completes the text so that it has syntactic coherence. So the machine isn't thinking; it's just… It knows exactly where to reproduce.

JIC: Yes, that's why: it's not the structure it works with... It can't do what the human brain does, which is... [Connection drops at 1:08:30]

Ivan: Juan left us.

Javiera: There's another movie called something like "The Years". No, sorry, it's not a movie, it's a series, "The Years ", I think, it's very good.

[...]

JIC: The same thing happened to me today with the Volume 3 workshop, I don't know why it keeps cutting out...

Fernando: Skynet doesn't like us talking about what you're talking about.

JIC: [Laughs] That's possible. Well, Fernando, did you want to bring something up? Afterwards, I'd like us to talk about how the workshop works and so on.

Fernando: No, but it was along these lines, precisely what I was already suggesting at the beginning about changes in production processes, and which also appears to me in this way, that is, the potential for centralizing capital globally through these very changes, and that the political forms of this centralization, for me, don't have much to do with the historical experience of capital centralization. I understand that it's somewhat what I was suggesting, if one says: well, under the guise of these technical changes in production processes, centralization is advancing globally in a different way.

Taking advantage of your science fiction digression: one could say that this is progressing towards artificial intelligence controlling production processes globally, centralizing them. And then, we wouldn't be facing the specific problem Iván raises of centralization in different national fragments, but rather that problem of national fragmentation will have to be resolved within this very centralization that the organization of production processes is achieving through artificial intelligence. I don't know if you understand what I'm saying.

Ivan: Yes, what I understand is that we're at a stage where the process seems to have to be global, like there's no way to stop it, right? Juan makes a face, but... This comment stems from the fact that we're also “programmed” to think about these experiences. That is, there's also a left-wing imaginary very much associated with national processes of revolutions and transformations. I know that's not the spirit of the workshop, where we looked at the transformations of relative surplus value, but that's always at stake in the discussions we have. I think another current where this problem also appears strongly is that of the so-called “ accelerationists,” who have a position that I find very debatable in many aspects, but they also present a critique of the national limits of policies and transformations, and advocate for a much stronger development of the productive forces. The thing is, what they think, which for me is super problematic, is that they say: well, let's develop the productive forces with everything, that will bring down capitalism, but

since it probably generates unemployment and so on, let there be a universal basic income or wage for everyone, that is, it's as if in the transition of that process what they see are unemployed masses.

JIC: Yes. Some time ago I was reading things along these lines; I don't remember exactly what I saw or what the issue revolved around, but I recall there was an abstraction there regarding taking immediate appearances and having no more contradictory content than those immediate appearances. But now I would have to look at it again, because Nicolás Grinberg brought it up for me; I don't know what discussion he was having with some authors on this topic, and that's why I've been looking into it.

I propose that we do two things. First, I'll bring up this idea of unity, which for me is present throughout Marx's work; and I'd like to hear your thoughts on the workshop, what you would suggest about it.

Javiera: Juan, I have a question about what we were just talking about. I mean, not what we were just discussing about development, about what you brought up a little while ago, about whether it's irrelevant to ask about this subject who wouldn't be alienated, right? So, what we have before us is to ask ourselves about our own actions and what political action to develop to advance in the recognition of… I mean, to aim for a subject who recognizes their own determinations and advances in recognizing their alienation. So, having said that, I wonder when you're suggesting that, are you thinking of a subject with certain attributes? Because one could argue that, well, this political action, for example, the workshop, isn't a political action that every member of the working class could join, let's say, I imagine we all agree on that. So, it's a political action that's targeting a subject with certain attributes, right?

JIC: Those are the objective conditions for the production of that consciousness. The first objective condition is that a substantial portion of the world's population cannot even afford to eat. So, if we are proposing the development of a form of consciousness, which is a scientific consciousness, the first condition is having been able to eat more or less in order to reach that point. It is a form of political action, like all forms of political action, specific to the portion of the working class that is objectively in a position to develop that consciousness. That is the limitation that arises from the capitalist mode of production itself.

Javiera: Right, and what about the rest of the working class? I mean, I'm asking in a more general way.

JIC: And what about members of the working class who have a scientific consciousness and for whom this issue is completely foreign? I have an answer. I say: for me, it's essential to start by recognizing oneself as a political subject in relation to one's own potential and the limited nature of that potential. So, I can say: what's at stake here is a political action aimed at developing this consciousness, and I don't have an answer for other forms of political action. The *Communist Manifesto* doesn't say that the Communist Party is *the* party of the working class; it says that it's *a* party of the working class that aims to act as a

party that expresses the condition of the working class as a historical subject. So, the answer is, what one can propose as a form of political action—and when I propose it as my form of political action, the scope of my political action is this; I'm not capable of anything else, I'm not good for anything else. One has to start by acknowledging that limitation; otherwise, the image arises that one has an answer for everything and that one can personify everything. And the question is actually the other way around, because you referred to those of us here: what power do we, those of us here in the workshop, have as political subjects if we look at ourselves, essentially, in what sphere do we have power as political subjects?

Javiera: Should we answer you?

JIC: If you want to answer, go ahead; if not, I'll leave it as a question, but in what area do we have…?

Javiera: So, we can leave that for the end, but wait, I'm not questioning you about your political actions and the limitations of…

JIC: I am answering you through my political action, because I have no answer regarding the political action of the working class in its unity.

Javiera: Okay, but I was talking about something more general, because of this... Well, if this has the scope to be something worldwide, widespread, how will this portion of the working class that has these scientific attributes expand, how will it become something more general?

JIC: The problem is that today it doesn't even aim to be minimally partial. Therefore, to have that answer, it would need to be present with sufficient development so that the question becomes: well, how do we transcend this scope it has reached so far? And it doesn't even have a scope that reaches... It has a minimal expression. So, the answer is: it's barely possible to answer how to expand its minimal expression to that portion of the working class that has certain productive attributes, which at the same time are largely the negation of what one is proposing as a form of political action, because they are the opposite of it: one of the things is that the more rigorous the knowledge of the scientific method, of the logical representation one has, the more difficult it is to accept that this is a historical form of knowledge that carries within it the negation of objective knowledge.

So that's why I always... I look at the process and say: this is the consciousness of a social mode of production, where labor already has a directly social character, it's not mediated by the private sector. That's as far as I can see it. I want to look at it more concretely and I say, I don't know what that's like. If I tried to answer what that's like, I would have to start transforming that dialectical knowledge into a representation—which wouldn't even be a logical representation, it would largely be a fantastical one. And then, the answer to how this necessary political action of the working class develops, when one looks at overcoming the capitalist mode of production in its entirety, the answer is: I don't know, I have no way of answering it. That's why my approach has always been: when this form of consciousness has

reached a certain level of development, it will be able to produce the answer to the question.

One could say, taking what Ivan said, that one of the conditions is that the working class, both the employed and unemployed working population, has full access to the development of its scientific consciousness. Universal education, and the development of universal education, is one concrete form of this. But the concrete forms of the development of universal education today exceed the scope of a consciousness that sees itself as free because it is alienated. Therefore, it is an action that takes shape in the political organization of the working class, which is not necessarily the immediate bearer of that free consciousness because it is alienated, but rather sees itself as naturally free, and what it is doing is developing the freedom of the working class. But that, then, is characteristic of another political organization of the working class, one that does not consider itself alienated, but, on the contrary, represents itself as free by nature and what it is doing is affirming human freedom. How is the unity of all these forms established? I cannot answer, I don't know. Is it?

Let's move on to the development of Marx's ideas. I don't know why they thought the starting point was the issue of illegal logging. There is a point there, but it's not about overcoming the capitalist mode of production; it's about what appears, in my understanding, from a perspective linked to Hegelian conceptions (according to Luis Denari, he had already moved beyond that point, but the way it's worded for me is this), which is the clash between whether the state represents the unity of social life and whether the state is confronted, so to speak, by private property, as in the legislation against illegal logging. Instead of expressing the need for social unity, the state expresses the interests of private property. But the text I'm going to refer to is On *the Jewish Question*, which is the discussion about the demand of the Jewish population in Germany to be recognized as citizens (because they didn't have full citizenship rights), and what Marx concludes with.

I'll start from here. It says: “All emancipation is the *reduction* of the human world, of relationships, to man himself.” It says:

> Political emancipation is the reduction of man, on the one hand, to a member of bourgeois society, to the *independent egoistic individual,* and, on the other hand, to a *citizen of the state,* to the moral person.

And at the center of it all is this:

> Only when the real individual man recovers within himself the abstract citizen and becomes, as an individual man, a *generic being,* in his individual work and in his individual relationships; only when man has recognized and organized his forces when it no longer breaks down social force in the form of political force, [341]only *then does* human emancipation take place.[342]

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[341]Own forces.

[342]It's all in the last paragraphs of Section I of *On the Jewish Question.* Taken from: https://drive.google.com/file/d/0B0Az3tqIJXECNjFvNmZEeTZZbms/view?resourcekey=0-6Rkn4pEtHed8mh8xoTBOMA

But there was something else… Perhaps I was mistakenly remembering something else. So, what emerges there is the political struggle, in this. The demand for citizenship is the demand to become a doubly free individual. It is the demand to be what is presented here: on the one hand, a citizen of the state, and on the other hand, an independent private producer, or at that time it was still referred to as "independent private property." So, he says: this struggle is not the full struggle for human freedom. And he will differentiate between the freedom of the subject from the capitalist mode of production and human emancipation, where what he will propose is: only when individual forces can be recognized, the individual condition as an immediate organ of the social life process, does that political force, that struggle for freedom in the condition of being a citizen, become the force that achieves human emancipation, when there is an immediate identity between the individual and the social unit.

I thought it was here, but now I can't find it in what I've been looking at. Because somewhere he's going to state: and the condition for that is the collective ownership of the means of production, the directly social ownership of the means of production. And so here he's stating, in what confronts me: because one is a free individual from the capitalist mode of production, that political action is the bearer of overcoming the capitalist mode of production, of human emancipation. And human emancipation is the immediate unity between the individual life process and the social life process, which implies the abolition of private property. So, for me, the question of overcoming the capitalist mode of production and the axis of that overcoming are posed there. But what isn't posed is why, how, where these inherent forces come from that human being has to recognize as such and put to work as social forces. And what Marx does from there is to search for, to unfold, how to get from current society to that point of human emancipation. And when he writes the *Grundrisse* (between this text and the *Grundrisse,* if I am not mistaken, there are 12 years of development), he is going to raise this question very early on (but damn it, I can't find it), as a summary.

In the historical development of humanity's productive forces, there are three major stages. The first stage arises from the animalistic organization of human life, the simple animalistic organization of this incipiently human being, and takes shape, developing on the basis of relationships of personal dependence. The second stage develops on the basis of an impersonal, objectified social relationship and creates the conditions for the third stage, which corresponds to what appears in *The Jewish question* is human emancipation. And the third stage is based, then, on the immediately social ownership of the means of production. And there's a note in that development that says the capitalist mode of production, precisely because the social relation is impersonal, it's objectified, what it produces are universal powers, universal needs, and there are… Fernando is more efficient than I am [He puts the quote in the chat]:

> Relationships of personal dependence (initially on a completely natural basis) are the first social forms, in which human productivity develops only within a restricted sphere and in isolated places. Personal independence based on dependence on things is the second important form in which a system of general social metabolism comes to be constituted, a system of universal relationships, universal needs, and universal capacities [**JIC**: Precisely because it erases all personal difference in the bond].

Fernando: I have the quote here, if you want, I'll read what follows.

JIC: If my edition, which is a historical one... I went over the page ten times and I didn't see it... It says: the second, “free individuality founded on…”. And if you remember, when we saw the last paragraph of the chapter on primitive accumulation, where it says that the abolition of private property based on the exploitation of other people's labor does not regenerate private property, what it produces is individual ownership of the means of production that are collectively owned; and here this reappears, where each individual is at the same time, as an individual organ of the process of social metabolism, to which all the power belongs, and is the bearer of all the power of that social organism. I'll continue now, thank you, Fernando, so…

“Free individuality, founded on the universal development of individuals and on the subordination of their collective productivity as social patrimony, constitutes the third stage. The second creates the conditions for the third. Both patriarchal and ancient conditions, as well as feudal ones, disintegrate with the development of commerce, luxury, money, exchange value, etc., to the same extent that [?] grows in modern society.” So, here for me in the *Grundrisse*, there is a kind of development of what Marx sees in *On the Jewish Question*, but which he cannot yet fully grasp. And now, in the development of the productive forces, this substance unfolds and is expressed in the transformation of the form of the social relation. And this is what is finally developed in *Capital,* from its simplest specific determination—the private character of labor—to its overcoming through the socialization of private labor as a necessity arising from the objectified social relation itself, which entails the increasing socialization of private labor until the absolute overcoming of the private character of labor.

So, in contrast to this idea that there's a "young Marx" and an "old Marx," that one talks about alienation and the other about economics, what they both talk about is human emancipation, the concrete determination of the process of human emancipation. He gradually unfolds the content of this process, which at first isn't readily apparent, and which he will only be able to articulate in *Capital.* And so, yes, there is a young Marx and an old Marx, both grappling with the same question; only one can discover what's at stake as he matures, and he is able to explain why[343].

[343]He ends up suggesting a break before everyone discusses the workshop. They decided that there would be no more engraving.